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ABSTRACT

A study assessed Temporary Assistance for Needy Families (TANF) implementation and effects in Cuyahoga County between 1992-2000. It used field research, surveys and interviews of current and former welfare recipients, state and county welfare and employment records, and indicators of social and economic trends. Findings indicated Cuyahoga County remade its welfare system in response to TANF. It instituted new policies and services to divert families from welfare, promote employment, and enforce time limits. Welfare receipt declined in the county, and employment among welfare recipients increased. The economy and other factors appeared to have driven

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these trends. However, TANF encouraged long-term welfare recipients to leave the rolls faster and discouraged food stamp recipients from coming onto cash assistance. A longitudinal survey of former and ongoing welfare mothers in Cleveland's poorest neighborhoods showed substantial increases in employment. These changes were not necessarily due to welfare reform; they might reflect the economy and maturation of women and their children. The number of neighborhoods with a high concentration of welfare recipients declined. (Contains 127 references.) (YLB)

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Welfare Reform in Cleveland

Implementation, Effects, and Experiences of Poor Families and Neighborhoods

Thomas Brock, Claudia Coulton, Andrew London, Denise Polit,
Lashawn Richburg-Hayes, Ellen Scott, Nandita Verma

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Welfare Reform in Cleveland

Implementation, Effects, and Experiences of Poor Families and Neighborhoods

Thomas Brock, Claudia Coulton, Andrew London, Denise Polit,
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with
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Overview

The 1996 Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) ushered in profound changes in welfare policy, including a five-year time limit on federally funded cash assistance (known as Temporary Assistance for Needy Families, or TANF), stricter work requirements, and greater flexibility for states in designing and managing programs. The law's supporters hoped that it would spark innovation and reduce welfare use; critics feared that it would lead to cuts in benefits and widespread suffering. Whether PRWORA's reforms succeed or fail depends largely on what happens in big cities, where poverty and welfare receipt are most concentrated.

This report — one of a series from MDRC's Project on Devolution and Urban Change — examines how welfare reform unfolded in Ohio's largest city and county: Cleveland, in Cuyahoga County. Ohio's TANF program features one of the country's shortest time limits (36 months) and has a strong emphasis on moving welfare recipients into employment. This study uses field research, surveys and interviews of current and former welfare recipients, state and county welfare and employment records, and indicators of social and economic trends to assess TANF's implementation and effects. Because of the strong economy and ample funding for services in the late 1990s, it captures welfare reform in the best of times, while also focusing on the poorest families and neighborhoods.

Key Findings

- Cuyahoga County remade its welfare system in response to TANF. It shifted to a neighborhood-based delivery system and dramatically increased the percentage of recipients who participated in work activities. It also launched a major initiative to divert families from going on welfare. The county firmly enforced time limits starting in October 2000, but it ensured that families were aware of their cutoff date, and it offered short-term extensions and transitional jobs to recipients who had employment barriers or no other income.

- Between 1992 and 2000, welfare receipt declined in the county, and employment among welfare recipients increased. The economy and other factors appear to have driven these trends, as they did not change substantially after the 1996 law went into effect. However, TANF seems to have encouraged long-term welfare recipients to leave the rolls faster and to have discouraged food stamp recipients from coming onto cash assistance.

- A longitudinal survey of former and ongoing welfare mothers in Cleveland's poorest neighborhoods showed substantial increases in the percentage who were working and had "good" jobs between 1998 and 2001. These changes are not necessarily due to welfare reform; they may reflect the economy and the maturation of women and their children. Despite the improvements, half the women surveyed in 2001 had incomes below poverty level. Those who had exhausted 36 months of cash assistance or had less than one year of benefits remaining tended to face the most employment barriers and to have the worst jobs. Nevertheless, most who were cut off TANF because of time limits were working, and nearly all were receiving food stamps and Medicaid.

- Between 1992 and 2000, the number of neighborhoods with high concentrations of welfare recipients (20 percent or more) fell sharply — a result of caseload decline. Though social conditions in these neighborhoods were much worse than in other parts of the county, they generally improved or remained stable over time. For instance, birth rates among teens and violent crime decreased, while prenatal care and median housing values increased. Unmarried births, property crimes, and child abuse and neglect did not change.

The study's findings counter the notion that welfare reform would lead to service retrenchment and a worsening of conditions for families and neighborhoods. To the contrary, there were many improvements in Cleveland — though the favorable economy played a major role, and time limits had just been implemented when the study ended. Further study is needed to determine the long-term effects of time limits and how welfare reform will fare under less auspicious conditions.

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Preface

In passing the 1996 federal welfare reform law, legislators set the country on an uncharted path. At the time, no one knew whether the law's major features — especially its imposition of time limits on cash assistance and its tougher work requirements — would spur welfare recipients to become more self-reliant or would make them worse off. Nor did anyone know whether the block grant that each state was entitled to receive under the law (the level of which was based on the state's pre-1996 welfare spending) would be sufficient to meet the needs of poor families. And no one could have foreseen how the economic boom of the late 1990s and early 2000s would raise employment levels and expand state coffers, creating a highly favorable environment for the new welfare policies.

The Manpower Demonstration Research Corporation (MDRC) launched the Project on Devolution and Urban Change in 1997 to chart the course of welfare reform in four big cities: Cleveland, Los Angeles, Miami, and Philadelphia. Our goal was to find out whether the new law would lead to meaningful changes in urban welfare bureaucracies — institutions that have tended to resist reforms in the past — and to learn how time limits and other policies would affect the poorest families and neighborhoods. Unlike many MDRC evaluations, this study did not use a random assignment design. Given the broad sweep of the welfare overhaul, assigning some people to the reforms and others to the old system seemed impractical and, equally important, would not have allowed us to capture the effects of welfare reform on *places*. Consequently, we used a variety of qualitative and quantitative methods to examine how governments, neighborhoods, and families experienced welfare reform over a period of several years, believing that the integration of these different data sources and perspectives would provide the most accurate and most complete assessment of the 1996 law's effects in big cities.

The Urban Change project's findings in Cleveland are generally positive. Cuyahoga County's welfare agency capitalized on the flexibility of the new law and revamped its service delivery system. Welfare rolls went down, employment among welfare recipients went up, and the circumstances of the poorest families and neighborhoods improved on most fronts. Our analyses of trends before and after the new law took effect, however, suggest that the flourishing economy — more than welfare reform — was the principal force behind the improving conditions. Moreover, welfare reform in Cleveland did not have the ruinous effects on low-income families that some people feared, in part because of protections the welfare agency implemented to protect the most vulnerable.

Although unusually comprehensive, this report is only the first chapter of Cleveland's welfare reform story. Time limits had just begun to be implemented when data collection ended, and further follow-up is needed to find out how welfare reform will unfold in the current, less favorable economic climate. Forthcoming reports on each of the other cities in the Urban Change study will shed light on the extent to which Cleveland's experiences are unique or part of a larger pattern in the nation's big cities.

Gordon Berlin
Senior Vice President

Acknowledgments

This report represents the culmination of several years of research and could not have happened without the support of many people. We especially thank the families — predominantly low-income women with children — whose lives are represented in the statistics and stories throughout this volume. We hope that the report reflects their experiences and contributes to policy decisions that will improve their lives and opportunities.

We are indebted to the officials of Cuyahoga County for allowing us to conduct the Cleveland study and providing full access to welfare offices and information. The support of Bette Meyer, Ralph Johnson, Rick Werner, Sandra Bizzell, and Robert Bonner was instrumental to the research. We also thank the following managers and team coordinators of the East Cleveland, Glenville, and Westshore offices for being gracious hosts and sharing many insights: Jill Heard, Fred Kramer, Michelle Latimore, Theresa Moore, Dina Capretta-Kozak, and Sandra Zaborniak.

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Helpful reviewers of a draft of the report were Elizabeth Lower-Basch at the U.S. Department of Health and Human Services and Jim Rohn and Karene Booker at Cuyahoga Work and Training. In addition, an advisory group comprising Rebecca Blank, Gary Burtless, Robinson Hollister, Robert LaLonde, and Phil Robbins reviewed and commented on early drafts of Chapters 3 and 6. Within MDRC, Gordon Berlin, Judith Gueron, Barbara Goldman, Howard Bloom, and Louis Richman gave substantive advice throughout the drafting process.

The following individuals in partner institutions helped with data collection and analysis. Neil Bania and Lisa Nelson at the Center on Urban Poverty and Social Change at Case Western Reserve University played an instrumental role in compiling and processing the vast administrative records used in the impact and neighborhood indicators analyses. Louise Hanson and Carolyn Rahe at the Institute for Survey Research at Temple University oversaw the fielding of the client survey and the preparation of related data files. Lorna Dilley, Ralonda Ellis-Hill, Karen Fierer, Kristy Harris, Vicki Hunter, Kagendo Mutua, Leondra Mitchell, Samieka Mitchell, Nancy Myers, Laura Nichols, Liz Piatt, and Sarah Spain at Kent State University participated in gathering and preparing the ethnographic data for analysis.

At MDRC, Charles Michalopoulos played an important role in conceptualizing the impact study and overseeing the analysis of administrative records. Other MDRC staff who assisted with data collection and analysis included Jo Anna Hunter, Ying Li, Rebecca Widom, Nikita Hunter, Lindsay Moore, Kate Gaultieri, Tara Cullen, and Eric Rhodes. Lauren Cates served as report coordinator. Robert Weber edited the report, and Stephanie Cowell prepared it for publication.

The Authors

Summary Report

The 1996 Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) introduced profound changes in America's welfare system. It eliminated Aid to Families with Dependent Children (AFDC) — the major cash assistance program for low-income families — and replaced it with a time-limited program called Temporary Assistance for Needy Families (TANF). It also imposed tougher work requirements on welfare recipients and gave states much more flexibility in the design and operation of their welfare programs. In turn, many states have "devolved" much of the responsibility for their welfare programs to local governments and other entities.

The anticipation that welfare reform might pose particular challenges to urban areas — where poverty and welfare receipt are most concentrated — prompted the Manpower Demonstration Research Corporation (MDRC) to launch the Project on Devolution and Urban Change (Urban Change, for short). The project is examining the implementation and effects of TANF in four urban counties: Cuyahoga (Cleveland), Los Angeles, Miami-Dade, and Philadelphia. This report focuses on Cuyahoga County and addresses four major sets of questions:

- How did Cuyahoga County respond to the new law? What "messages" and services did the county put in place? How were time limits implemented?
- What were the effects of welfare reform on the county's welfare caseloads? Did reform alter patterns of welfare and employment?
- How did low-income families in the county adapt to time limits and other dimensions of welfare reform? What were their experiences in the labor market? Were they better or worse off economically?
- What were the conditions of neighborhoods in Cuyahoga County before and after welfare reform? In particular, were poor neighborhoods better or worse off after reform?

In many ways, the Urban Change project captures the best of times and the most challenging of places for welfare reform. The study's focal period of the late 1990s through the early 2000s was one of prolonged economic expansion and unprecedented decline in unemployment. In addition, states and localities had unprecedented amounts of money to spend on welfare programs, owing to a combination of stable TANF funding (a five-year block grant based on pre-TANF spending levels) and a rapid decline in welfare caseloads. The study thus captures the most promising context for welfare reform: one of high labor market demand and ample resources to support families in the process of moving from welfare to work. At the same time, it focuses on big-city welfare agencies — institutions that have tended to resist change in the past — and on the experiences of the poorest people and places within each city.

In order to assess TANF's implementation and effects in Cuyahoga County, the study uses multiple research methods and data sources (Table 1). Researchers visited welfare offices to observe program operations and interview staff; analyzed welfare and employment records for everyone who received cash assistance and food stamps between 1992 and 2000; administered a longitudinal survey to 689 women who had a history of welfare receipt and lived in high-poverty neighborhoods; conducted ethnographic interviews with 38 current or former welfare families in poor neighborhoods; and analyzed a variety of social and economic indicators at the county and neighborhood levels. All these data were gathered at different points to capture change over time. In some instances, data were obtained as far back as 1992, to establish a trend line that could help determine whether TANF contributed to significant changes in patterns of welfare receipt or employment and changes in neighborhood conditions. Data collection ended at about the time that Cuyahoga County began terminating families from welfare because of time limits; hence, this report focuses chiefly on the *pre*-time-limit phase of welfare reform.

This summary — like the full report on which it is based — begins with a brief overview of the social and economic environment of Cuyahoga County during the study period. It then analyzes how TANF was implemented, the effects on welfare receipt and employment, the experiences of low-income families, and county and neighborhood conditions before and after welfare reform. The report concludes with a discussion of policy implications.

Among the study's key findings are the following:

- Cuyahoga County's welfare agency revamped its organizational structure in response to welfare reform, and it instituted new policies and services to divert families from welfare, promote employment, and enforce time limits. At the same time, it maintained a safety net for families who exhausted their cash benefits.

- Between 1992 and 2000, welfare receipt in the county declined, and employment increased among welfare recipients. These trends began before TANF and were not significantly altered after welfare reform got under way, suggesting that the changes largely reflected the strong economy and other factors. There is evidence, however, that welfare reform sped up the rate at which long-term recipients left welfare and that it reduced the number of food stamp recipients who later received cash assistance.

- A longitudinal survey of welfare mothers living in the county's poorest neighborhoods suggests that their employment and economic circumstances

The Project on Devolution and Urban Change

Table 1

Data Used for the Cuyahoga Study

Data Type	Data Source	Sample	Time Period and Coverage	Chapter Relying on Data
Program implementation	Field/observational research	Interviews and observations conducted in 3 neighborhood offices and the central office downtown	Six rounds between 1997 and 2001	2
	Survey of case management staff	The universe of case managers; 88% of staff completed a survey (n = 256).	Administered in April 2000	
County and state administrative records: cash assistance, food stamps, Medicaid, and unemployment insurance records	Center on Urban Poverty and Social Change, Case Western Reserve University; Ohio Department of Job and Family Services	The universe of recipients who received food stamps, AFDC/TANF, or Medicaid between July 1992 and December 2000 (n = 536,256)	Eligibility records for the period July 1992 to December 2000; unemployment insurance records for the period January 1992 to December 2000	3, 6
Longitudinal surveys	Two waves of in-person interviews with current and former welfare recipients, conducted by the Institute for Survey Research, Temple University	Randomly selected recipients of cash assistance in Cuyahoga County in May 1995 who were single mothers, between the ages of 18 and 45, and resided in neighborhoods where either the poverty rate exceeded 30% or the rate of welfare receipt exceeded 20%. In Wave 1, 80% of the sample completed a survey; in Wave 2, 86% of Wave 1 respondents completed a survey; 689 respondents completed both surveys.	Wave 1 completed between March and December 1998; Wave 2 completed between March and September 2001	2, 4, 5

(continued)

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Table 1 (continued)

Data Type	Data Source	Sample	Time Period and Coverage	Chapter Relying on Data
Ethnography	Four rounds of in-depth, in-person interviews with current and former welfare recipients, conducted by on-site researchers at Kent State University	Thirty-eight families residing in 3 neighborhoods varying in ethnic composition and poverty: Detroit-Shoreway, East Cleveland, and Glenville	Interviews conducted from 1998 to 2001	2, 4, 5
Aggregate neighborhood indicators	Social and economic indicators from administrative agency records, prepared by the Center on Urban Poverty and Social Change, Case Western Reserve University	All residential census tracts in Cuyahoga County	Census-tract annual indictors from vital records, tax assessor's property files, child welfare, crime, and welfare and wage records for 1992 through 2000	6

generally improved between 1998 and 2001. These changes were not necessarily a result of welfare reform but may reflect a variety of factors, including the economy and the maturation of women and their children. Despite improvements, half the women surveyed in 2001 were living below poverty. The mothers least likely to be working or to have "good" jobs were women who had used up all their months on cash assistance or were within 12 months of reaching the time limit. Nevertheless, most women who had been cut off welfare because of time limits were working, and nearly all were receiving food stamps and Medicaid.

- Between 1992 and 2000, the number of neighborhoods characterized by a high concentration of welfare recipients declined — a direct result of falling caseloads. During this same period, social conditions in the county's poorest neighborhoods generally held stable or improved. In absolute terms, however, the conditions in poor neighborhoods were worse than in other areas of the county. Today, Cuyahoga's remaining welfare caseload is concentrated in neighborhoods that are experiencing some of the worst social and economic conditions in the county.

In sum, the study finds overall improvement in many trends in Cleveland — though the extraordinary economy seems to be a driving factor as strong as or stronger than welfare reform. Moreover, despite improvements, many families remain poor, and a few neighborhoods — primarily in the central city — remain highly distressed. Follow-up is needed to determine how welfare reform fares under less auspicious economic circumstances and what effects time limits will have in the long term.

Cuyahoga County's Social and Economic Environment

Before drawing inferences from a study that focuses on one metropolitan area, some appreciation of the urban context is required. Cuyahoga County is the largest of Ohio's 88 counties, and Cleveland is its primary city. In Ohio, welfare is administered at the county level.

- **A disproportionate share of Ohio's welfare population lives in Cuyahoga County and the City of Cleveland.**

Even though Cuyahoga County accounts for just 12 percent of Ohio's population, its share of the state's welfare caseload rose from 19 percent in 1992 to almost 25 percent in 2000. Similarly, within Cuyahoga County, most welfare recipients live in the City of Cleveland. Outlying suburbs tend to be more affluent.

- **The economy in the Cleveland area improved during the 1990s, and unemployment declined. Welfare caseloads also dropped sharply during this period.**

Starting in 1992, the unemployment rates for Cleveland and Cuyahoga County began to fall and remained fairly constant through the late 1990s and early 2000s (Figure 1). Unemployment in the City of Cleveland, however, has been consistently higher than in the county or state. Along with the improving economy, poverty has declined, as have the county's cash assistance caseloads (Figure 2). The caseload reductions began before TANF was implemented.

- **The economy of the Cleveland area has experienced many structural changes over the past 30 years, including a decline in manufacturing and the relocation of many businesses from the city to the suburbs. Accessing suburban jobs, however, is difficult for many welfare recipients.**

While manufacturing represented almost one-third of the region's employment in 1970, it accounted for less than 20 percent by 2000. Growth in the service sector more than made up for the loss in manufacturing, though service jobs tend to offer lower earnings and fewer benefits for workers without advanced education. Virtually all the region's job growth occurred in the outlying suburbs rather than in Cleveland, making access to jobs difficult for the approximately 50 percent of the county's welfare recipients who rely on public transit.

The Implementation of Welfare Reform

During the late 1980s through the mid-1990s, Ohio lawmakers passed a number of initiatives to try to reduce welfare dependency, including a bill in 1995 that would have placed a time limit on AFDC.[1] Hence, TANF did not represent a new direction for the state so much as a culmination of past reforms. In response to TANF, Ohio lawmakers created two new programs: Ohio Works First (OWF), which replaced the state's AFDC and the Job Opportunities and Basic Skills Training (JOBS) program; and the Prevention, Retention, and Contingency (PRC) program, which replaced Emergency Assistance. The goals of OWF and PRC are to "transform public assistance from a system based on entitlement to one focused on employment, personal responsibility and self-sufficiency."[2]

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[1] The time-limit provision on AFDC required a federal waiver and was not implemented. Once TANF was created, no waiver was required.

[2] State of Ohio, Ohio Department of Human Services, "Temporary Assistance for Needy Families (TANF) Program State Title IV-A Plan," September 30, 1997, p. 1.

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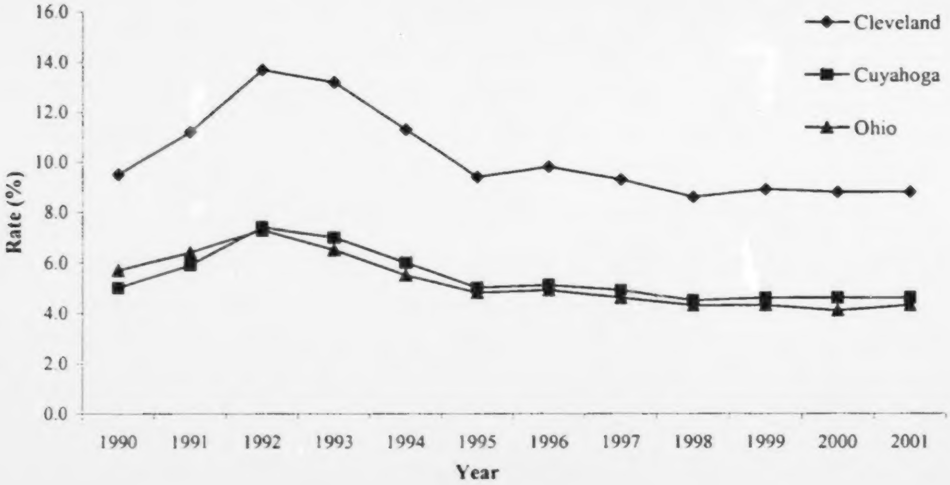
Figure 1

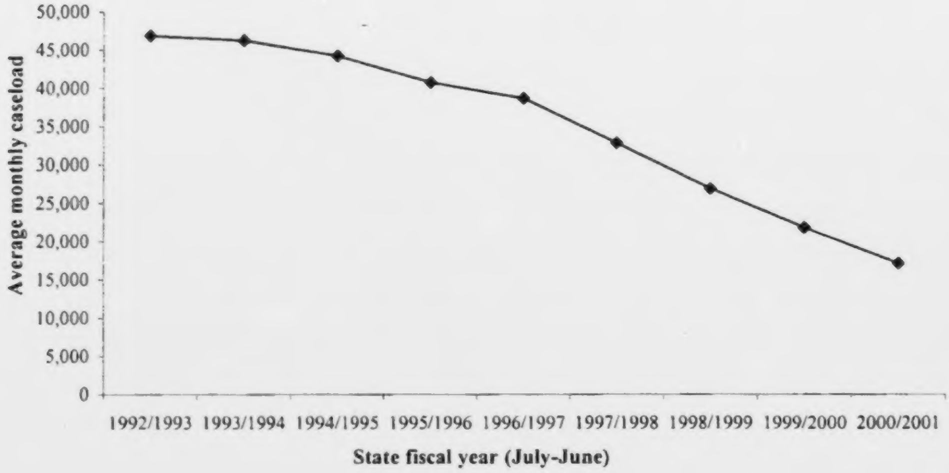
Unemployment Rates in Greater Cleveland and Ohio



SOURCE: U.S. Department of Labor, Bureau of Labor Statistics, 2002.

Figure 2

Monthly Cash Assistance Caseloads in Cuyahoga County, 1992/1993 - 2000/2001



SOURCE: Cuyahoga County Income Maintenance Files.

The Major Features of Ohio Works First

- **Ohio adopted one of the nation's shortest time limits on cash assistance: 36 months.**

Starting in October 1997, families receiving cash benefits in Ohio have been limited to 36 months of aid, after which point they are ineligible for at least 24 months. The state has placed a lifetime cap of 60 months on cash benefits.

- **OWF expanded and simplified Ohio's earned income disregard policy, making it easier for welfare recipients to combine work and welfare and thus increase their monthly income.**

Before OWF, a welfare recipient who had two children and went to work could retain some cash benefits until the family's monthly income reached $632 (during months 1 through 4), $461 (during months 5 through 12), or $431 (after 12 months). OWF established a uniform earned income disregard policy that enabled a parent with two children to earn up to $974 before losing eligibility for cash assistance.

- **Work requirements were made tougher under OWF.**

OWF required adult welfare recipients to spend 30 hours per week either working or engaging in welfare-to-work activities. (Before welfare reform, the requirement was 20 hours.) In addition, OWF introduced full-family sanctions, meaning that a family's entire cash grant — not just the adult's portion — could be terminated for noncompliance. Adults could also lose their portion of the family's food stamp benefit.

- **The PRC program was used to divert families from welfare.**

Ohio encouraged county welfare agencies to develop programs to divert welfare applicants from going on cash assistance, and the state created a flexible funding pool — called the Prevention, Retention, and Contingency (PRC) program — expressly for this purpose.

- **OWF placed increased emphasis on child support enforcement.**

Ohio had long required single parents on welfare to provide information about the whereabouts of the absent parent (usually the father). Under OWF, noncompliance with child support enforcement results in the same penalties as noncompliance with welfare-to-work activities. The state also eliminated the $50 "pass-through" that families on welfare once received if child support payments were collected. Child support payments were turned over to the family only after the state received full reimbursement for the money spent on cash assistance and the family was no longer receiving welfare.

Services in Cuyahoga County

- **Welfare reform in Cuyahoga County was more of a process than an "event." Planning and organizational changes unfolded over a few years.**

Cuyahoga County officials began planning for welfare reform in 1996 and 1997, and they embarked on a major reorganization of the welfare agency in 1998. These changes resulted in the division of the welfare agency into two parts — one focused on OWF recipients, the other on food stamp- and Medicaid-only cases not subject to time limits — and the development of 11 full-service neighborhood centers.

- **To reinforce the emphasis on work, the county implemented a new case management model that combined income maintenance and employment functions.**

The new case managers, called Self-Sufficiency Coaches, handled a wide range of responsibilities, including determination of eligibility for cash assistance, assignment of clients to welfare-to-work activities, approval of support services like child care, and enforcement of time limits. Relative to other urban welfare departments, Cuyahoga's staff had low caseloads (about 80 cases each) and exercised considerable discretion in determining how best to help clients.

- **The county placed a strong emphasis on trying to divert welfare applicants from going on cash assistance.**

Self-Sufficiency Coaches met with welfare applicants to try to understand why they needed cash assistance and to offer alternatives, including food stamps, Medicaid, and child care assistance. Starting in late 1999, the county began offering PRC grants — up to $3,000 in a 12-month period (though usually much less) — to keep families from going on cash assistance, to help them find work, and to meet emergency needs. Importantly, PRC grants did not count toward the time limit. As first implemented, PRC eligibility criteria were extremely loose, and program costs mushroomed. By spring 2001, the county tightened PRC guidelines to contain costs and ensure that funds were used to help clients gain self-sufficiency.

- **The county greatly expanded its welfare-to-work program after welfare reform. Initially focused on job search and unpaid work experience, the program gradually included more specialized services.**

As shown in Figure 3, the percentage of adult cash assistance recipients who were employed or participating in welfare-to-work activities jumped from 19 percent in 1998 to 49 percent in 2000. (Note that these participation rates represent average monthly data and are defined more broadly than the participation rates in PRWORA.)[3] A large part of this increase was related to the growing number of welfare recipients who combined work and welfare — a change attributable in part to the expanded earned income disregard. The county's expenditures on welfare-to-work activities (excluding child care) also grew, by 34 percent, during this period, owing to an increase in program capacity and the development of more intensive programs for people who had difficulty holding jobs or who faced severe barriers to employment. Job search was heavily emphasized, but it was sometimes combined with General Educational Development (GED) instruction or short-term training to improve clients' employment prospects.

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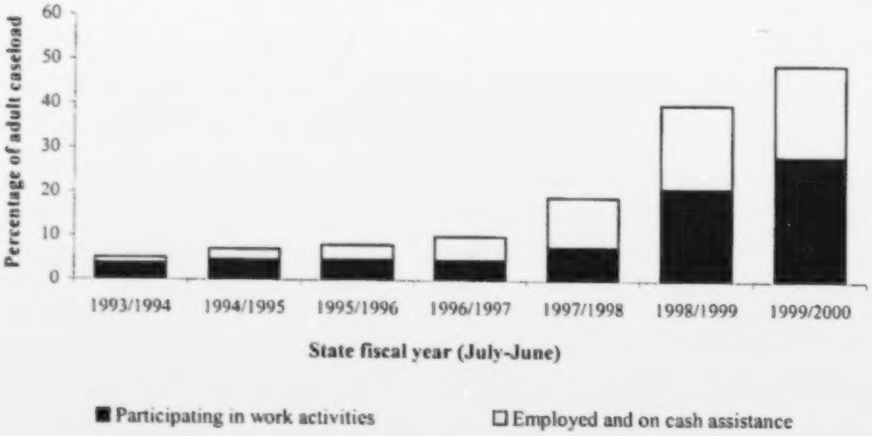
Figure 3

Percentage of Adult Cash Assistance Recipients Employed or Participating in Work Activities in Cuyahoga County, 1993/1994 - 1999/2000



SOURCE: Ohio Department of Job and Family Services.

NOTES: Data were supplied by the state and were not independently verified. MDRC made adjustments to minimize duplicated counts of recipients.

Participation rates capture a broader array of activities than federal guidelines allow and are not limited to participants meeting the 30-hour weekly requirement.

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[3] Specifically, PRWORA requires participation of 30 hours per week in a prescribed set of work activities. The figures for Cuyahoga County capture any amount of participation and include assignments that are not counted under federal guidelines, including some education programs and substance abuse treatment.

- **The 36-month time limit began to be enforced in Cuyahoga County in October 2000. Within the next 12 months, approximately 4,000 families who had used up their months were cut off cash assistance.**

Some welfare staff and clients did not believe that the county would go through with time limits, but the policy went into effect as scheduled. Before cash assistance was terminated, families were called in for a pre-time-limit interview to make sure that they understood that their cash benefits were about to end, to determine whether they had a realistic plan to replace OWF income, and to ensure that they continued to receive noncash benefits for which they were eligible — namely, food stamps, Medicaid, and child care. Clients who needed employment were referred to job developers and other employment resources.

- **The county implemented a child safety review process to ensure that families who exhausted their cash assistance did not suffer harm.**

Self-Sufficiency Coaches initiated the child safety review whenever clients failed to attend their pre-time-limit interviews or did not appear to have sufficient income to replace OWF. Social service workers from community-based agencies conducted home visits to discuss family income sources, check up on children, and make service referrals. In the year after time limits went into effect, approximately 1,900 families were referred to the child safety review. According to county staff, the vast majority of families who were contacted did not appear to be at risk of severe problems like homelessness or child abuse or neglect, though they often needed economic supports and other services.

- **The county implemented two post-time-limit programs to help families in need: the Transitional Jobs Program and Short-Term Transitional Assistance. A modest number of families used these programs.**

Recognizing that some families who hit time limits might not have other income sources, the county instituted two "last resort" programs. The Transitional Jobs Program offered up to six weeks of paid job search assistance, followed by three months of subsidized employment for clients who were employable but could not find work. Short-Term Transitional Assistance provided an extension of cash assistance for up to six months for women with infants, for teenage parents about to finish school, and for adults who were either seriously ill or disabled or caring for someone who was ill or disabled. In the first year that time limits were in effect, a total of 433 families participated in the Transitional Jobs Program, and a monthly average of 155 families received Short-Term Transitional Assistance.

The Perceptions and Experiences of Welfare Recipients

- **A survey and ethnographic interviews with current and former welfare recipients revealed high awareness of the major rules of welfare reform. However, some respondents mistakenly believed that — like cash assistance — food stamps and Medicaid were also time-limited.**

The survey and ethnographic interviews with women who were likely targets of welfare reform reveal that there was nearly universal awareness of the time limit on cash assistance. A large majority were also aware that they could get help with medical care, food stamps, and child care if they left welfare for work. Perhaps because the county emphasized the time-limit policy so forcefully, the ethnographic interviews reveal that some women believed the policy extended to *all* benefits, not just cash. This erroneous belief may have led some families to skip eligibility appointments and thus lose benefits for which they were eligible.

- **Though Cuyahoga County had a low rate of sanctioning overall, families who remained on the welfare rolls for a long time were more likely to be penalized by welfare staff.**

On a monthly basis, less than 2 percent of the adults on cash assistance in Cuyahoga County were sanctioned for noncompliance with work requirements or other rules. The survey, however, suggests that sanctioning rates were much higher for women who stayed on welfare for extended periods. Such women also tended to view Self-Sufficiency Coaches as enforcers of rules rather than as people who got to know them or helped them find jobs. The ethnographic interviews suggest that women who combined work and welfare held more positive views of welfare staff than women who did not.

The Effects of OWF on Welfare Receipt and Employment

One of the goals of TANF is to move people from welfare to work. As a first step in exploring the likely effects of OWF on welfare receipt and employment, administrative records were assembled for the 536,256 individuals in Cuyahoga County who received cash assistance, food stamps, or Medicaid in at least one month from July 1992 through December 2000. The Ohio Income Maintenance System reported monthly estimated payments and eligibility status for each person. State unemployment insurance (UI) records provided information on earnings reported to the UI system for the same people over the same period. Because information is available only through the end of 2000, this analysis focuses on the period before any families reached the OWF time limit. Because work requirements, time limits, and other OWF policies apply only to cases headed by adults and because of the growth in importance of child-only cases during the 1990s, the analysis is limited to adults.

The analysis summarized below compares groups of adults who received welfare before October 1997 with later groups of welfare recipients. If the behavior of the later groups differed markedly from what was expected based on the behavior of the earlier groups, this suggests that OWF had an effect. For example, if OWF contributed to the decrease in caseloads after October 1997, then either people should have left welfare faster than expected after that point or fewer people than expected should have begun receiving welfare. The main findings of the analysis are summarized in Table 2. Although welfare recipients left welfare and went to work faster in 2000 than they did in 1992, OWF is likely to be responsible for only a small part of those changes. Many of the changes began before OWF, and the pattern of change after 1997 was often similar to the pattern of change before 1997.

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Table 2

Estimated Trends and Effects of OWF for Welfare Exits, Welfare Entry, and Employment

Outcome	Trend from 1992 to 2000	Estimated Effect of OWF
Welfare exits		
New welfare recipients	Rate of exit increased steadily throughout the period	Small effect; increase in rate of exit slightly higher after OWF
Long-term welfare recipients	Rate of exit increased faster after 1997 than before 1997	OWF increased rate of exit
Welfare entry		
New welfare recipients	Entry declined throughout the period	OWF did not significantly affect the number of new welfare recipients
Returning welfare recipients	Recidivism increased throughout the period	OWF did not significantly affect recidivism
New food stamp recipients entering welfare	Entry increased before OWF but declined after OWF	OWF reduced number of people moving from food stamps to cash assistance
Employment among new welfare recipients		
All employment	Employment increased steadily throughout the period	No significant effect; increase in employment similar before and after OWF

- **The behavior of welfare recipients in Cuyahoga County has changed considerably since 1993.**

About 53 percent of new adult welfare recipients in 1993 left the rolls within a year, compared with more than 80 percent of new adult welfare recipients at the end of 1999. Likewise, 50 percent of the former group were working a year later, compared with 63 percent of the latter group. Many fewer people began receiving welfare at the end of the decade than at the beginning of the decade. For example, there were only about 2,000 new and returning welfare recipients in December 2000, compared with more than 3,000 before implementation of OWF. All these changes began to occur before OWF, however, suggesting that changes were not caused by welfare reform alone. Other factors — such as a growing economy, an expanded federal Earned Income Credit (EIC), a reduction in out-of-wedlock births among teenagers, and the aging of the population — may have played a role.

- **OWF appears to have increased the rate at which long-term welfare recipients leave the rolls, but not the exit rate for new welfare recipients.**

As mentioned above, the rate at which new adult welfare recipients left the rolls in Cuyahoga County gradually increased throughout the 1990s. Because this increase occurred at a similar rate before and after 1997, OWF is unlikely to be its primary cause. However, among long-term welfare recipients (those who had remained on the rolls for 18 of the 24 months after first receiving welfare), the change in welfare exits accelerated after 1997, suggesting that OWF had an effect for that group. Welfare reform's different effects for the two groups may reflect differences in the groups' exposure to welfare reform and what individuals would have done on their own, without its influence. Most new welfare recipients left the rolls quickly even before 1997, so welfare reform had little ability to affect their behavior. In contrast, long-term welfare recipients, who were much less likely to leave welfare on their own, would have been exposed to the new policies longer. Indeed, the implementation study revealed that county staff placed an increasing emphasis on getting clients into work activities and off welfare as they got closer to exhausting their 36 months on cash assistance.

- **OWF has not affected recidivism or the number of people first receiving cash assistance.**

The likelihood that former welfare recipients returned quickly to the rolls increased before 1997 and continued to increase after that. Likewise, the number of adults receiving cash assistance for the first time declined throughout the decade but did so as quickly before 1997 as afterward. The implication is that OWF did not substantially affect the number of people coming onto welfare for the first time or the number returning to welfare.

- **OWF appears to have reduced the number of food stamp recipients who began receiving cash assistance.**

Because they already have low income, people who are receiving food stamps might be especially at risk of receiving cash assistance. Between 1993 and 1997, the proportion of new adult food stamp recipients who subsequently began receiving cash assistance gradually increased. After that period, however, the proportion moving onto cash assistance dropped substantially, from 33 percent around the time that OWF began to 13 percent by the end of the decade. This may imply that the program's diversion strategy succeeded in helping people avoid receiving cash assistance.

- **OWF does not appear to be responsible for increased employment among current and recent welfare recipients.**

As mentioned above, new welfare recipients were more likely to go to work quickly at the end of the decade than in 1993. However, this change occurred at about the same rate before and after 1997, suggesting that OWF was unlikely to be responsible for greater employment among new welfare recipients. Other factors, such as the growing economy or the expanded EIC, may instead be responsible for the steady increase in employment among welfare recipients.

The Experiences of Former and Ongoing Welfare Recipients

One of the Urban Change project's principal objectives is to understand how the well-being of low-income families has evolved since welfare reform. The experiences of nearly 700 single mothers who were on welfare in May 1995 — before OWF's implementation — and who were living in Cleveland's poorest neighborhoods were studied through survey interviews conducted after welfare reform got under way, first in 1998 and again in 2001. The survey was supplemented by four rounds of ethnographic interviews with 38 welfare mothers in the same poor neighborhoods from 1998 through 2001. The analysis gave special attention to examining the circumstances of women who were especially vulnerable to adverse effects of welfare reform — those who had exhausted their 36 months or were close to it. Readers should keep in mind that observed changes over time are not necessarily attributable to welfare reform but are likely to reflect a combination of factors, including the strong economy, the effect of other policies like the EIC, and the aging of these women and their children.

Welfare and Employment Experiences

- **Almost all women had worked for pay after welfare reform, and most were working without receiving welfare in 2001.**

Among women in the survey, welfare receipt declined from 100 percent in May 1995 (baseline) to 50 percent in 1998 and to 12 percent at the time of the 2001 interview. Nearly 70 percent were employed and not receiving cash assistance in 2001. However, the percentage of women who had neither work nor welfare as a source of income nearly doubled, from 11 percent in 1998 to 20 percent in 2001. Similar patterns were observed in the ethnographic sample.

- **On the whole, these women had fairly high employment stability.**

Employment stability overall was higher among these women than has typically been found among welfare recipients in other studies, with two out of five having worked in 36 or more months out of a 48-month period. Nearly one-third of the women who were working in 2001 had had the same job for two or more years. Some women, however, experienced considerable employment instability, having taken a series of short-term low-wage jobs that resulted in great fluctuations in earnings (and therefore benefit eligibility) from month to month. Health problems of the women or their children emerged as a leading reason for job loss, either because the women had had to quit or had been let go because of absences.

- **Over time, the employment situations of most women improved.**

In both 1998 and 2001, most women who worked had full-time jobs. Average hourly wages for the women's current or most recent job increased from $7.20 in 1998 to $8.60 in 2001, resulting in an increase in average weekly earnings from $258 to $325. Women were also more likely to be in jobs with fringe benefits (such as sick pay, vacation, and health insurance) in 2001 than in 1998.

- **Regardless of improvements in employment, the majority of women did not have what might be considered "good" jobs.**

The percentage of women who worked full time in jobs that paid $7.50 per hour or more *and* that offered employer-provided health insurance increased from 1998 to 2001 (Figure 4), but only about one out of three working women had such a job in 2001. Despite the strong economy, most women worked in jobs that offered them few or no benefits and that provided earnings that would keep their families at or near the poverty level. These women typically worked in service sector jobs, and only about half had regular day jobs.

- **The majority of these women faced multiple barriers to employment, but barriers did decline somewhat over time; in particular, there was significant improvement in educational attainment.**

Most women had barriers that could constrain their ability to get a job (for example, health problems) or that could limit the kinds of job for which they qualified (for example, their education credentials). Although most women had several barriers in both 1998 and 2001, the

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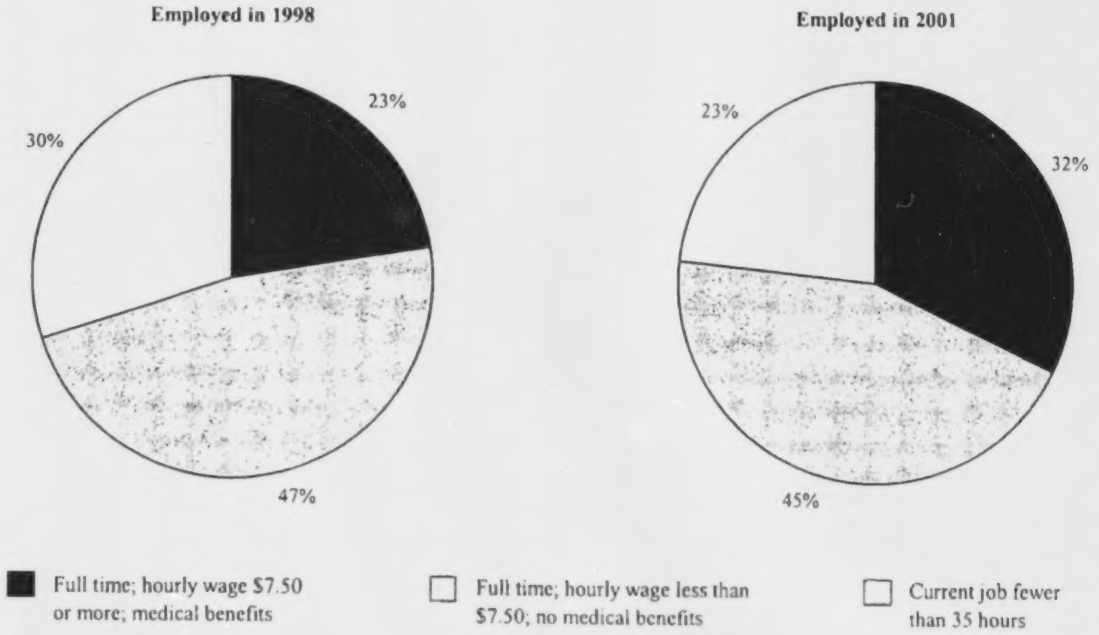
Figure 4

Job Characteristics for Those Currently Employed in 1998 and in 2001



SOURCE: MDRC calculations from the Urban Change Respondent Survey.

NOTES: Calculations for 1998 are based on 337 of the 371 respondents who were working for whom wage and benefit information was available.
Calculations for 2001 are based on 461 of the 489 respondents who were working for whom wage and benefit information was available.

average number with barriers did decline, and the percentage with no barriers increased. Of particular note was significant growth in the percentage of women who had a GED or high school diploma, which rose from 55 percent in 1995 to 67 percent in 2001.

Economic Circumstances and Material Hardship

- **Over time, the composition of total household income changed substantially.**

From 1998 to 2001, there was a large reduction in the percentage of families who had income from TANF, and there were significant increases in the percentage of households with income from earnings, child support, and Supplemental Security Income (SSI). Although only 17 percent were in households with TANF income in 2001, about half were still getting food stamps and Medicaid. While use of food stamps and the Women, Infants, and Children (WIC) program declined over time, there was no change in use of Medicaid, subsidized housing, and energy assistance.

- **On average, families were better off economically in 2001 than they had been in 1998, but most families continued to be poor or near poor.**

Overall, average total monthly household income increased from $1,358 in 1998 to $1,771 in 2001, corresponding to an average annualized income of $21,258 in 2001 (not including the EIC).[4] The percentage of households with incomes below the poverty threshold declined significantly, from 63 percent in 1998 to 50 percent in 2001. Despite this decline, the majority of families were poor or near poor, and thus many shifted from being welfare poor to working poor.

- **Over time, the assets of these families increased, but there was also an increase in the percentage with large consumer debt.**

Car ownership increased from 39 percent to 54 percent between 1998 and 2001, and home ownership increased from 8 percent to 14 percent over this period. The percentage of families with savings in excess of $500 more than doubled (from 4 percent to 9 percent). There was a corresponding increase in consumer debt, however, with the percentage owing more than $2,000 (not including car loans and mortgages) rising from 32 percent in 1998 to 43 percent in 2001.

- **Despite overall economic improvements, there was no change with regard to food hardships.**

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[4] A single parent who had two children and earned wages totaling $21,258 would have received an EIC payment of $2,284 in 2001.

Rates of food insecurity and hunger were high and stable over time. Forty percent of the women reported food insecurity in 2001, down only slightly from 44 percent in 1998. Rates of hunger were just over 10 percent at both interviews. Use of food banks was also unchanged over time.

- **In contrast to food hardships, housing hardships declined significantly from 1998 to 2001.**

Families were less likely to have "worst-case housing needs" (spending more than 50 percent of household income on rent and utilities, without subsidy) in 2001 than in 1998 — declining from 32 percent to 25 percent. They were also less likely to be homeless, to have experienced a gas or electricity shutoff in the prior year, to be doubling up with another family, and to be living in a dangerous neighborhood. Still, some housing conditions did not improve (for example, the percentage of families living in crowded housing), and housing and neighborhood hardships overall were considerable.

- **With regard to health care hardships, most indicators were unchanged or improved, but unmet need for dental care increased from 1998 to 2001.**

Health care coverage for the women was unchanged, with about one out of five lacking health insurance in the month before both interviews. Lack of health insurance for children, however, declined — from 13 percent in 1998 to 7 percent in 2001. There was no change with regard to reports of unmet medical care need, but more women in 2001 (27 percent) than in 1998 (22 percent) said that they or their children could not afford needed dental care. In the ethnographic sample, some women specifically mentioned that they had difficulty affording prescription drugs.

- **Overall, despite some improvements over time, material hardships remained high among these families.**

At the time of the 2001 interview, families were experiencing two hardships, on average, out of eight specific hardships considered. About four out of five women reported at least one hardship, and over one-third reported three hardships or more. The ethnographic data suggest that the prevalence of hardships would be even higher were it not for the women's appreciable efforts to prevent and reduce the hardships of their families by economizing and seeking help from family, friends, and charity.

In summary, data from this study indicate that, overall, there were substantial improvements over time with regard to employment and economic well-being of women who had been welfare recipients in 1995. However, most women were in jobs that continued to leave them poor or near poor, and material hardships were widespread.

The Experiences of Vulnerable Groups of Women

- **Women were considered to be vulnerable to the adverse effects of welfare reform if their cash assistance had been terminated because of the time limit or they were at risk of that happening in 2001.**

In the survey sample, 15 percent of the women had had their cash assistance terminated because they had used up their 36 months of OWF benefits. Another 19 percent were at risk of termination — that is, they had fewer than 12 months left on their time clocks at the 2001 interview. Women with 12 months or more left on their clocks (few of whom were still on welfare) were considered to be a less vulnerable subgroup.

- **Terminated and at-risk women were considerably more disadvantaged before welfare reform than women who were not at risk of termination, and they continued to face greater barriers to employment throughout 2001.**

Compared with women not at risk of time-limited termination, women in the two vulnerable subgroups were, in May 1995, less likely to have a high school diploma or GED certificate; less likely to have had formal employment in the prior year; had more children; had younger children; were more likely to be African-American; and were more likely to be long-term welfare recipients. In both 1998 and 2001, terminated women typically faced numerous barriers to employment. They continued to be far less likely than others to have a high school diploma or GED — although they, too, had made great strides since baseline: 63 percent lacked such a credential in 1995, compared with only 47 percent in 2001.

- **Terminated and at-risk women were less likely to be working in 2001 than those not at risk — but most did have some employment after welfare reform.**

About 60 percent of both groups of vulnerable women were working at the time of the 2001 interview, compared with nearly 80 percent of those not at risk. This means that two out of five terminated women had neither cash welfare nor employment income at the final interview. Nevertheless, nearly all women had recent work experience: For example, some 96 percent of terminated women had worked for pay within the 48 months before the 2001 interview, and, on average, they had worked in 18 of those 48 months.

- **Terminated and at-risk women had had less favorable jobs than other women.**

Although most women in all three subgroups worked full time in their current or most recent job, those who had exhausted the 36-month time limit or were close to being cut off cash assistance had significantly less favorable jobs than other women. For example, the hourly wage was $7.31 for terminated women, compared with $9.14 for those with ample time left on their clocks; this translates to nearly $100 difference in weekly earnings ($257 for terminated women and $356 for those not at risk). Having such low-wage jobs likely qualified terminated women for partial welfare checks that contributed to their having exhausted 36 months of benefits.

- **Women who had been terminated because of the time limit were much poorer than others, but rates of poverty declined over time for all groups.**

Nearly 80 percent of women with time-limited terminations had household incomes in 2001 that put them below poverty, compared with about 40 percent of women not at risk of reaching the time limit. It is worth noting, however, that terminated women were more likely to be below poverty in 1998 *before* they were terminated than they were in 2001 — down from 86 percent to 78 percent. Still, ethnographic data reveal that some women who had been cut off welfare because they had reached the time limit were living in rather dire circumstances.

- **Housing and food hardships were especially severe among terminated women, but these women were less likely than others to report health care hardships.**

Over half the terminated women (compared with 38 percent of those not at risk of termination) were food insecure in 2001. Terminated women were also more likely than others to have housing hardships (for example, to be living in housing with heating, electrical, or plumbing problems). They were far less likely, however, to be at risk medically. For example, only 1 percent of terminated women had an uninsured child, compared with 10 percent of women not at risk of time-limited termination. Only 3 percent of terminated women lacked insurance for themselves, compared with 26 percent of women with 12 months or more left on their time clocks. About 90 percent of the terminated women were relying on the safety net supports of food stamps and Medicaid (and about 25 percent had income from SSI).

In summary, the women least likely to be faring well at the time of the final interview were those who had been cut off welfare (or were at risk of being cut off) at 36 months. These women had typically had numerous barriers to employment that preceded welfare reform. Their ability to support themselves and their children remains uncertain, but the majority do appear to be getting support from the safety net.

Welfare Reform and Neighborhoods

As legislation to reform welfare took shape in Cuyahoga County, questions were raised about the effects of reform on low-income communities. Critics conjectured that welfare reform would undercut the progress that was being made on such urban problems as housing deterioration, crime, and drug trafficking. Further, some anticipated that those remaining on welfare might become increasingly isolated in urban areas of greatest disadvantage. Proponents of welfare reform, on the other hand, expected positive spillover effects for communities. One point of view suggested that rising levels of employment among welfare recipients could prove beneficial for neighborhood economies, processes, and institutions. This section summarizes findings from the Urban Change project's neighborhood indicators component, which asked: What were the conditions of Cuyahoga County's neighborhoods before and after welfare reform? In particular, did poor neighborhoods get better or worse after reform?

The Residential Patterns of Welfare Recipients

- **In the early 1990s, families receiving cash assistance were not evenly dispersed throughout Cuyahoga County but were concentrated in a set of neighborhoods that are largely contiguous.**

Before welfare reform, many neighborhoods (defined as census tracts) in Cleveland had high concentrations of families receiving welfare cash assistance (Figure 5a). Concentration of welfare was more pronounced on the east side of the City of Cleveland than the west side and was more severe for African-American than white welfare recipients. Because of residential patterns, most welfare families were geographically isolated from working-poor and middle-class families who were not on welfare.

- **By 2000, the notion of a neighborhood's being "welfare dependent" virtually ceased to exist in Cleveland, with the exception of a very few neighborhoods that often contained many units of public housing.**

The steady decline in the welfare caseload that started in 1992 resulted in a very different picture of welfare concentration after welfare reform (Figure 5b). Following the implementation of OWF, a handful of neighborhoods remained in which more than 20 percent of the residents were receiving cash assistance. As Cuyahoga County's caseload declined by over 60 percent, recipients in even the poorest neighborhoods left welfare, resulting in fewer high-welfare neighborhoods primarily in the City of Cleveland. Neighborhoods that accounted for many welfare recipients by the end of the study period were ones that had an extreme proportion of the welfare population in 1992 and had experienced rates of caseload decline that were below the county's average.

- **Although the number of welfare recipients in Cuyahoga County fell by more than half during the study period, people who remain on the rolls are residentially segregated and socially isolated from nonrecipients.**

Pockets of welfare concentration have led to serious concerns about the isolation of the welfare poor and the resulting limitations on opportunity. Commonly used indices of segregation, isolation, and concentration show that while falling welfare caseloads have lowered the number and percentage of welfare recipients living in high-welfare tracts, welfare recipients still remain relatively segregated and isolated in the metropolitan area.

Neighborhood Conditions

The Urban Change project monitored aggregate social and economic indictors for high-welfare neighborhoods and the balance of Cuyahoga County to assess whether neighborhood conditions — especially *undesirable* conditions — had become more prevalent in particular neighborhoods since the implementation of OWF. Indicators were selected that were relevant to concerns about the potential effects of OWF on children, families, and neighborhoods. Unlike the earlier discussion of the effects of OWF on welfare receipt and employment, this analysis is purely descriptive of trends from 1992 through 2000.

- **Over a nine-year tracking period, most indicators of neighborhood conditions showed either little change or change in a positive direction. Since OWF was implemented, none of the indicators has shown a rate or pattern that is consistent with a negative change.**

Overall, the average change in conditions before and after reform — regardless of neighborhood classification — has been positive for a number of social and economic conditions (Table 3). Over time, births among teenagers and violent crime decreased, and adequacy of prenatal care, drug arrests, and median housing values increased. Domestic violence and tax delinquency registered an increase, but the changes did not coincide with welfare reform. Births out of wedlock, property crime, and child abuse and neglect did not change significantly countywide. Increases in domestic violence and drug arrests predate OWF's implementation and may relate to changes in local law enforcement practices.

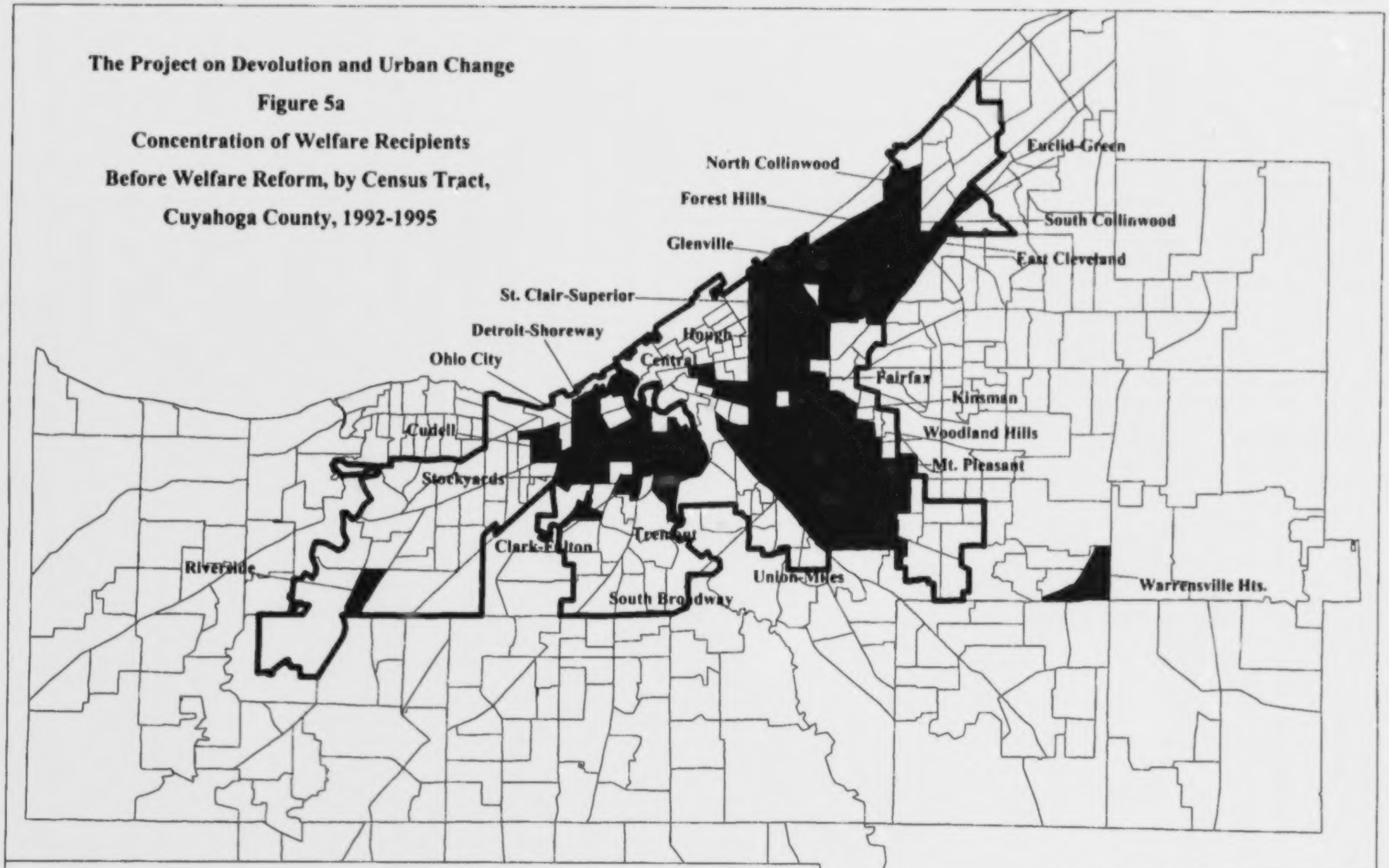
- **Throughout the study period, although the trends in high-welfare neighborhoods were generally stable or improving — similar to trends in other parts of the county — the absolute levels of distress in such neighborhoods were consistently higher.**

On every indicator examined, conditions in the county's poorest neighborhoods were less favorable than in other areas. For example, throughout the study period, child maltreatment

The Project on Devolution and Urban Change

Figure 5a

Concentration of Welfare Recipients Before Welfare Reform, by Census Tract, Cuyahoga County, 1992-1995



North Collinwood
Forest Hills
Glenville
St. Clair-Superior
Detroit-Shoreway
Ohio City
Cudell
Stockyards
Riverside
Clark-Fulton
Tremont
South Broadway
Union-Miles
Hough
Central
Fairfax
Kinsman
Woodland Hills
Mt. Pleasant
Euclid-Green
South Collinwood
East Cleveland
Warrensville Hts.
High (117 tracts)
Low (352 tracts)
Census tract boundaries
City of Cleveland municipal boundary

SOURCE: MDRC calculations using data from the Urban Change Neighborhood Indicators Database.

NOTES: High-welfare-concentration tracts are those where at least 20 percent of the residents receive welfare. Selected neighborhoods are identified, but all residential tracts in the county were included in the neighborhood analysis.

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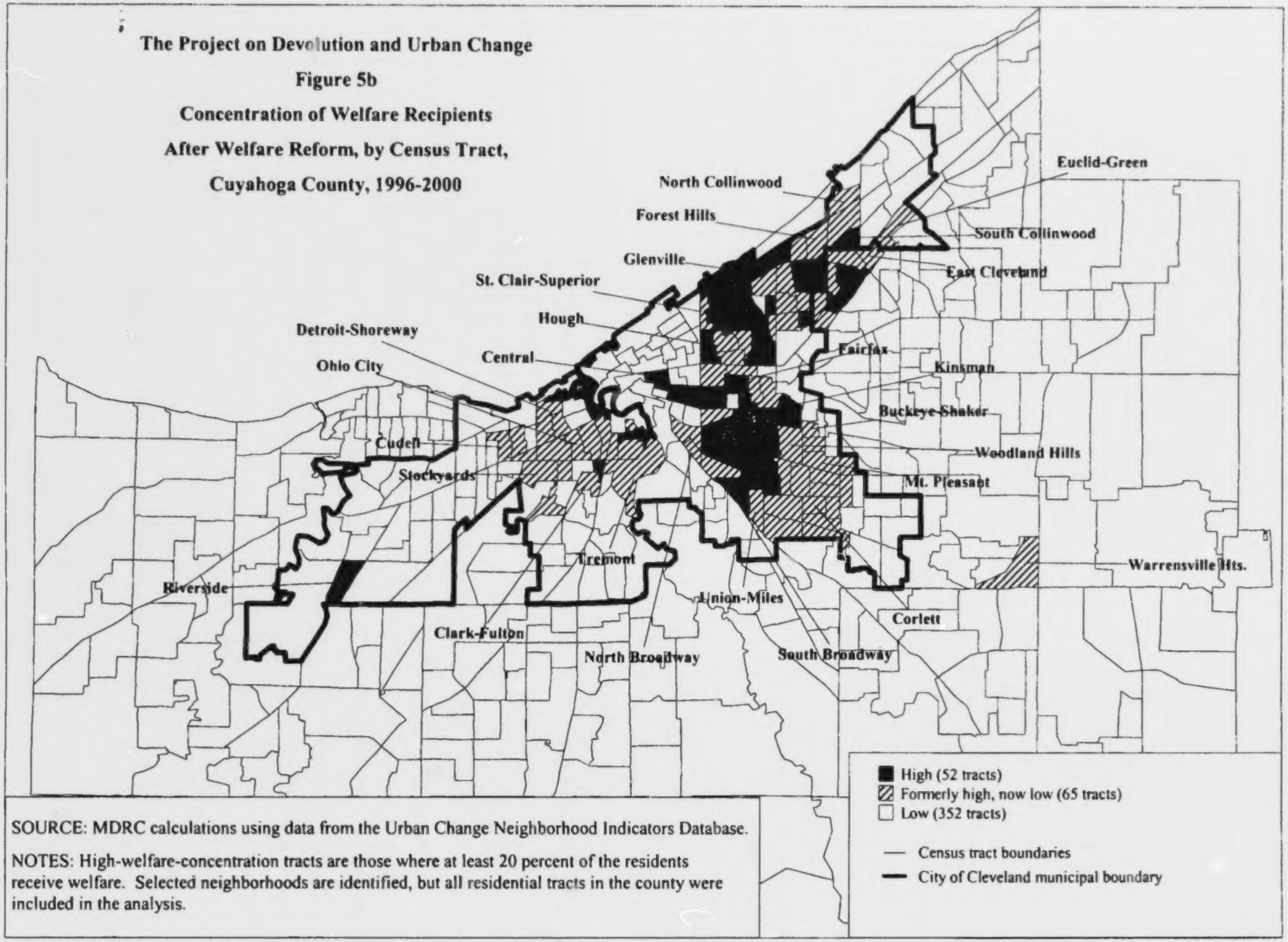
Figure 5b

Concentration of Welfare Recipients
After Welfare Reform, by Census Tract,
Cuyahoga County, 1996-2000


North Collinwood
Euclid-Green
Forest Hills
South Collinwood
Glenville
East Cleveland
St. Clair-Superior
Hough
Detroit-Shoreway
Fairfax
Central
Kinsman
Ohio City
Buckeye-Shaker
Cudell
Woodland Hills
Stockyards
Mt. Pleasant
Tremont
Warrensville Hts.
Riverside
Union-Miles
Corlett
Clark-Fulton
North Broadway
South Broadway
■ High (52 tracts)
▨ Formerly high, now low (65 tracts)
☐ Low (352 tracts)
— Census tract boundaries
— City of Cleveland municipal boundary

SOURCE: MDRC calculations using data from the Urban Change Neighborhood Indicators Database.

NOTES: High-welfare-concentration tracts are those where at least 20 percent of the residents receive welfare. Selected neighborhoods are identified, but all residential tracts in the county were included in the analysis.

Table 3

Summary of Trends in Conditions in High-Welfare Neighborhoods, 1992-2000

Indicator	Trend
Births	
Births to teenagers	Decline
Births to unmarried mothers	No change
Adequacy of prenatal care	Slight increase
Child well-being	
Child abuse and neglect	No change
Crime	
Violent crime	Decline
Property crime	No change
Domestic violence	Increase
Drug arrests	Increase
Economic factors	
Median housing	Increase
Tax delinquency	Slight increase

rates in high-welfare neighborhoods were about twice as high as in the balance of the county, and the incidence of violent crime was more than 15 times greater.

- **The outcomes captured by the social and economic indicators tend to cluster in a few high-risk places. Families remaining on welfare live in neighborhoods where most of the indicators are extremely negative.**

As a way to identify places with extremely negative conditions, the study created a summary index of neighborhood disadvantage. Before welfare reform, 68 percent of welfare recipients lived in highly disadvantaged neighborhoods, compared with 63 percent after OWF. Thus, although most neighborhood conditions improved over time, the changes were modest, and the remaining cash assistance recipients were living in neighborhoods that were probably experiencing some of the worst social and health outcomes in the county.

Welfare-to-Work Transitions and Neighborhood

The patterns of economic opportunities and social relationships within neighborhoods, cities, and regions might promote or impede the employment and self-sufficiency goals of welfare reform. These possibilities raise the question whether employment outcomes for current or former cash assistance recipients differ by neighborhood.

- **Despite the clustering of welfare recipients in disadvantaged neighborhoods, place of residence did not seem to affect the employment probabilities of current or former recipients.**

Welfare recipients in high-welfare neighborhoods were only slightly less likely than their suburban counterparts to combine work and welfare or to leave welfare for work. Work participation, exit, and welfare-to-work rates improved comparably in both high- and low-welfare neighborhoods.

Conclusions and Policy Implications

When federal lawmakers created TANF, they ventured into unknown territory. Many of the provisions of PRWORA — time limits, in particular — had never been implemented on a large scale or evaluated. Supporters and critics envisioned starkly different outcomes. On one side were those who believed that the law would spur innovation at the state and local levels; that tougher work requirements and time limits would induce more welfare recipients to find jobs; and that ending the welfare "culture" of low-income communities would lead to their revitalization. On the other side were those who feared that devolution would spur a "race to the bottom" as states slashed benefits and tried to make their programs less attractive than those of neighboring states. Critics feared that sanctions and time limits would deprive needy families of essential income and would cause suffering, leading to increases in crime, homelessness, and other social problems.

The realities of welfare reform in Cuyahoga County fell between these two extremes, but the disaster that some critics feared clearly did not materialize. To the contrary, the county *did* innovate and improve services in many areas. Its caseloads declined sharply, and many welfare recipients went to work. The employment and economic situations of low-income women who had a history of welfare receipt and who lived in the poorest neighborhoods generally improved over time: They had fairly high employment stability; their average weekly earnings increased; and they acquired more assets (along with more debts). Likewise, the social conditions of the county as a whole and of low-income neighborhoods in particular either improved or held constant on most measures. The various procedures and services that the county put in place to help families prepare for the time-limit cutoff seemed to avoid immediate harm.

Despite the good news, there are three main reasons to refrain from declaring victory for welfare reform in Cleveland. First, welfare rolls in Cuyahoga County were going down, and employment was rising, *before* OWF was implemented; there is little evidence that welfare reform sped up the exit rate for most welfare recipients (long-term recipients being an important exception) or that it increased the rate at which they went to work. Second, it is unclear how welfare reform will play out in a weaker economy. Even with the extraordinarily good conditions captured in this study, most former welfare recipients ended up in low-paying jobs without basic benefits, and some central-city neighborhoods remain highly distressed. Third, the policy that has most worried critics of welfare reform — time limits — had just been implemented when data collection for this study ended. It is still too early to know whether ending cash assistance leads to positive or negative effects on low-income families and neighborhoods.

What lessons are policymakers to draw from this? The answers depend largely on what goals they want welfare reform to achieve. Within the parameters set by OWF, several key observations and recommendations can be made:

- **The robust economy played a central role in reducing caseloads and increasing employment in Cuyahoga County. The importance of economic factors should not be overlooked.**

The growth in employment during the study period made it relatively easy for welfare recipients to find work. It also reinforced the logic of such program strategies as job search and short-term training designed to move welfare recipients into the labor market quickly. In a softer economy, more intensive activities — such as subsidized work or education and training — may be required to help welfare recipients (and agencies) meet federal and state participation requirements and to improve the ability of welfare recipients to compete for jobs. A softer labor market would also likely increase the demand for cash benefits and other services, from families who have reached the time limit. This underscores the need for flexible extension policies and cash reserves in the event of an economic downturn.

- **The ample, flexible funding available under welfare reform — a result of the fixed TANF block grant and reduced caseloads — helped foster innovation and expand services in Cuyahoga County. This record makes a case for maintaining the current size and structure of the block grant.**

Far from "racing to the bottom," Cuyahoga County's elected officials and welfare administrators took advantage of the flexibility of welfare reform and tried to improve service delivery and reduce poverty. Among their many achievements were the creation of a neighborhood-based service delivery system, a sizable increase in the percentage of welfare recipients enrolled in welfare-to-work activities, an expansion of child care benefits for low-income working families, and the development of an array of pre- and post-time-limit services to ensure that families who lost cash assistance after 36 months were not harmed. Not all their ideas worked; the PRC program, for example, was initially too open-ended and had to be curtailed. On balance, however, the level of services offered to welfare recipients and low-income working families in the county went up, not down. It seems unlikely that this would have occurred without the added flexibility and resources that OWF initially offered county officials.

- **The expanded earned income disregard provided economic support to families who combined work and welfare, and it helped boost the county's participation rates in welfare-to-work activities. These short-term benefits — while important — may put some families at risk in the future.**

OWF's earned income disregard policy provides a financial incentive for welfare recipients to go to work, but it may also keep them on the rolls longer. In the short run, this is a win-win situation: Welfare recipients who are employed gain valuable experience and increase their monthly income, and the welfare agency gets to count such employment toward its welfare-to-work participation rate. Under OWF, however, individuals who combine work and welfare are using up months of assistance that they may need later if they lose a job or other source of income. State policymakers might reconsider whether welfare recipients who "play by the rules" (that is, work) should be subject to the same time-limit policies as those who do not work. One option would be to "stop the clock" for families who combine welfare and work. To pay for these benefits — which would be smaller than regular welfare payments — states could take advantage of TANF's nonassistance provision, which does not count toward federal time limits on benefits. Research in several states suggests that providing financial incentives to welfare recipients who go to work can increase employment, reduce poverty, and improve family and child outcomes.[5]

- **The generally low quality of jobs obtained by welfare recipients underscores the importance of noncash benefits to low-income working families, including the Earned Income Credit (EIC), food stamps, and Medicaid. Continuous education and outreach are needed to ensure that families are aware of these programs and can access benefits for which they are qualified.**

In the strong economy in which the study took place, most welfare recipients were able to find full-time employment. Nevertheless, the survey found that many women worked in jobs that paid low wages and lacked health insurance. Moreover, many of the women reported food insecurity, even though they were working. Although Cuyahoga County made a major effort to ensure that families who left welfare continued to receive food stamps and Medicaid, some of the women in the ethnographic sample indicated that they had missed eligibility appointments and had thus lost benefits for which they were eligible because of their mistaken beliefs that they did not qualify or that benefits were time-limited. Welfare staff and social service providers may need to make more concerted efforts to explain the economic supports and benefits that are available to low-income working families apart from cash assistance — and to emphasize that these benefits are not time-limited. They might also place greater emphasis on explaining the EIC, including how to ask employers to get a portion of the EIC advanced in one's paycheck.

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[5] See, for example, Pamela Morris, Virginia Knox, and Lisa Gennetian, *Welfare Policies Matter for Children and Youth: Lessons for TANF Reauthorization* (New York: Manpower Demonstration Research Corporation, 2002).

- **Adults who leave welfare for work often lose health insurance after transitional Medicaid expires. If they become sick or injured, their jobs — and their families' economic security — are placed at risk.**

Since welfare reform, the federal government and Ohio have made major strides in expanding health care coverage to low-income children. The findings from this study suggest that many former welfare recipients do not find jobs that provide health insurance after their 12 months of transitional Medicaid end. As long as the women stay healthy, this is not a problem; but should they become sick or injured, their ability to work and support their families may be seriously compromised. Policymakers might consider extending transitional Medicaid beyond 12 months or allowing former welfare recipients to purchase Medicaid coverage or state-sponsored health insurance based on their ability to pay. Policymakers might also consider providing greater incentives for employers to extend health insurance to more workers, including part-time employees.

- **Helping former welfare recipients stabilize their employment and access better jobs may require specialized skill-building programs designed for working parents.**

As important as transitional benefits are to welfare recipients who go to work, the long-term solution to lifting families out of poverty and encouraging self-sufficiency is to help them acquire better jobs. While some advancement may come with greater work experience, many former welfare recipients may need to upgrade their skills to land jobs with higher pay and benefits. Education and training providers might consider developing part-time or short-term programs specifically for low-income working adults, preferably in the evenings or on weekends. Welfare agencies can set aside funds to help former welfare recipients who enroll in training programs to access child care, transportation assistance, and financial help with books and supplies. Employers can support workers' career advancement through in-house training, tuition reimbursement programs, and flexible work schedules.

- **Cuyahoga County made a strong effort to ensure that families who reached the time limit were prepared and did not suffer harm. The survey and ethnographic data indicate that such preventive actions are warranted and that families who hit time limits remain vulnerable.**

Cuyahoga County implemented a comprehensive program of pre- and post-time-limit services to ensure that families understood the cutoff policy and were not harmed when benefits ended. Nonetheless, there is ample reason to worry about these families. Judging from the survey, most are living below poverty level, have multiple employment barriers, and — if they are working — are in jobs with low pay and no health insurance. The findings underscore the importance of maintaining the kinds of protections and "last resort" programs that Cuyahoga County put in place. They also suggest the desirability of having child safety review workers or others conduct periodic check-ins with time-limited families in the future to ensure that their economic situations do not deteriorate and that they are referred to appropriate services to address basic needs and improve their lives.

- **The survey found an increase in the number of families receiving child support, which may suggest that the county's child support enforcement policies are working. On a cautionary note, the amount collected tends to be small, and many families still do not receive child support.**

One of the tantalizing findings from the survey was a significant increase in the percentage of mothers who reported receiving child support income: from 9 percent in 1998 to 19 percent in 2001. While this is not necessarily attributable to welfare reform, it suggests that there may be a payoff to the child support enforcement procedures now in place. At the same time, the fact that four out of five families reported *no* child support income suggests that it is only part of the solution to increasing self-sufficiency and reducing poverty. Other research on noncustodial parents (usually fathers) has found that they are often as poor as or poorer than the mothers and have limited ability to provide support. For this reason, programs that emphasize skills training, job placement, and career advancement for current and former welfare recipients might target noncustodial parents as well.

- **While there is no evidence that welfare reform negatively affected Cuyahoga's neighborhoods, several Cleveland neighborhoods remain highly distressed. Revitalizing these communities will likely require investments well beyond what the welfare system can provide — as well as the involvement of other public and private sector partners.**

During the time period covered by the neighborhood indicators study, there is no evidence that moving large numbers of women from welfare to work negatively affected other social indicators in their communities. Thus, there is no immediate need for policy to address negative spillover from welfare reform in these neighborhoods. However, the relatively smaller population who remain on welfare continue to be geographically isolated and live in distressed neighborhoods. Addressing such inequalities may require a two-pronged approach, on the one hand promoting the revitalization of poor neighborhoods and, on the other hand, adopting transportation and subsidized housing policies that will make it easier for low-income families to move freely throughout the metropolitan area, where they can have equal access to opportunities.

Chapter 1

Introduction

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), passed by Congress and signed into law by President Clinton in 1996, revolutionized social welfare policy and fostered profound changes in the ways that government agencies address the needs of the poor. PRWORA abolished welfare "as we knew it" and created a time-limited cash assistance program called Temporary Assistance for Needy Families (TANF). The legislation also established strict work requirements for TANF recipients, eliminated federal funding for certain groups of legal immigrants, and transferred the administrative authority for welfare programs from the federal government to the states. In turn, many states have "devolved" much of the responsibility for welfare to local governments and other entities.

The anticipation that welfare reform might face particular challenges in urban areas — where poverty and welfare receipt are most concentrated — prompted the Manpower Demonstration Research Corporation (MDRC) to launch the Project on Devolution and Urban Change (Urban Change, for short). Begun in 1997, the project uses multiple research methods and perspectives to examine the implementation and effects of this landmark legislation in big cities. It has sought answers to four major sets of questions:

- How would welfare agencies respond to the new law? What "messages" and services would they put in place? How would they implement time limits?
- What would be the effects of TANF on welfare caseloads? How would it alter patterns of welfare receipt and employment?
- How would low-income families adapt to time limits and other dimensions of welfare reform? What would be their experiences in the labor market? Would they be better or worse off economically?
- How would welfare reform affect social conditions in big cities? In particular, would conditions in poor neighborhoods improve or worsen?

Cuyahoga County (Cleveland) is one of four metropolitan areas included in this multifaceted study. Three other counties — Los Angeles, Miami-Dade, and Philadelphia — will be the subjects of future Urban Change reports.

The Cuyahoga study took place within a specific place and time and, in some ways, represents both the best of times and the most challenging of places for welfare reform. On the one hand, the study period of 1992 through 2000 was a time of prolonged economic expansion and unprecedented decline in unemployment, both nationally and locally. Moreover, in the latter 1990s, an influx of TANF funds allowed for massive expansion of employment training and related services. Thus, the study captures the most promising context for welfare reform implementation — one of high labor demand and full funding of programs to support families in the process of moving from welfare to work. On the other hand, the study focuses on populations who are most vulnerable and places that face significant difficulties in moving families from welfare to work before they exhaust their time limits. In Cuyahoga County, it examines people and conditions in the poorest neighborhoods, where the most severe barriers to successful implementation of welfare reform might be found.

The Policy Context

This nation has been reforming welfare for almost as long as there has been a welfare program. The fundamental struggle has been how to find ways to ensure that children's basic needs are covered without encouraging dependence on public benefits. PRWORA can be viewed as a radical "fix" for problems that previous reforms, like the 1988 Family Support Act, failed to bring under control. Perhaps the greatest concern was the sharp rise in caseloads that occurred in the early 1990s, although this trend had already started downward by the time PRWORA was passed (Figure 1.1).[1]

PRWORA ended the 60-year-old Aid to Families with Dependent Children program (AFDC), under which the federal government had helped support poor families. In its stead, it established TANF, whose very name expresses the intention that welfare assistance be considered *temporary*. The legislation places a five-year lifetime limit on federally assisted cash benefits for most families — both adults and their dependent children — and authorizes states to impose shorter time limits if they choose. While a state may grant exemptions from the federal time limit, the number of exempted families may not exceed 20 percent of the state's average monthly caseload.

Under AFDC, states received open-ended federal funding for benefit payments, at "matching" rates that were inversely related to the states' per capita income. States were required to pay a percentage of benefit costs (ranging from 22 percent to 50 percent in 1996) as well as 50 percent of administrative costs. Federal funding for AFDC came with many strings attached. Uniform federal regulations determined, for example, who was eligible for assistance, how income and resources were to be treated, what basic services and activities would be available to welfare-to-work program participants, and which families qualified for assistance under the AFDC-Unemployed Parent (AFDC-UP) program. States could deviate from the regulations

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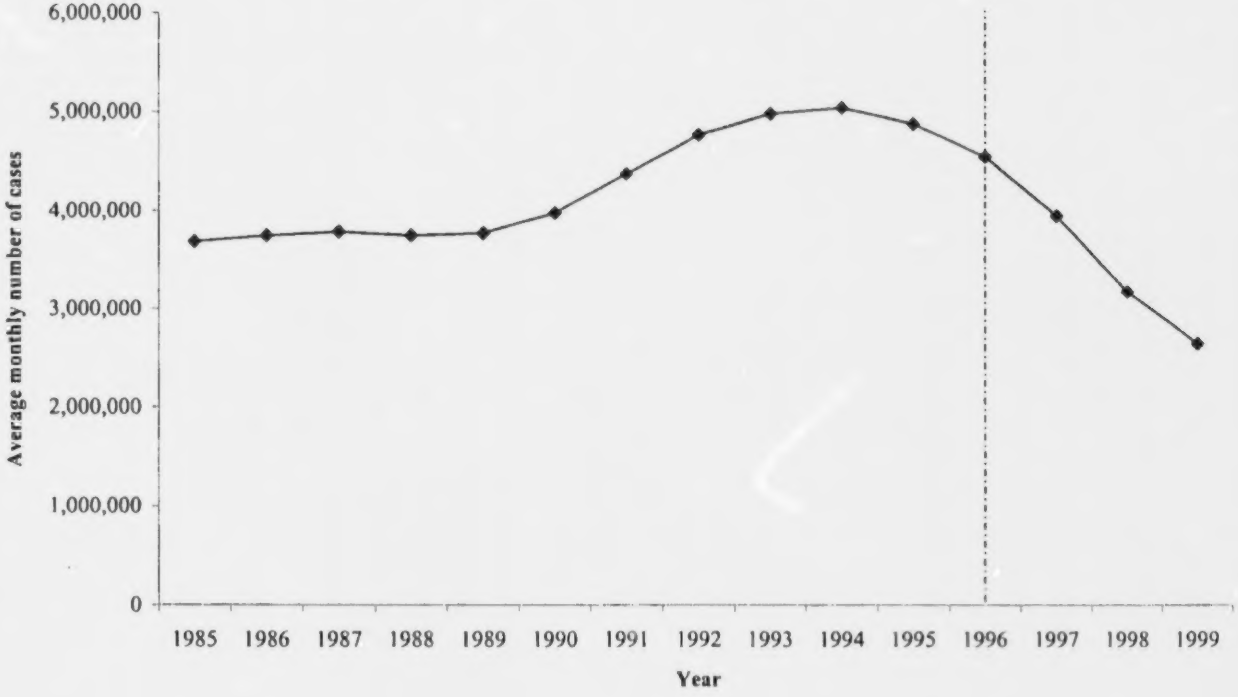
[1] The remainder of this section is adapted from Quint et al., 1999.

The Project on Devolution and Urban Change

Figure 1.1

National AFDC/TANF Caseload Trends, 1985-1999



SOURCE: U.S. House of Representatives, Committee on Ways and Means, 2000.

only if they received special waivers. In the years immediately preceding the passage of PRWORA, the U.S. Department of Health and Human Services (DHHS) granted waivers to 43 states so that they could experiment with new policies and programs for welfare recipients.

PRWORA consolidates and dramatically extends the decision-making power that the federal government had given to states under AFDC waivers. And many of the policies being implemented under PRWORA — including time limits — had previously been implemented under state welfare waiver experiments. States generally implemented changes in a limited number of areas under their waivers, but PRWORA empowers them to implement much bigger reforms and to change everything at once.

Under the funding provisions established by PRWORA, states are entitled to receive federal block grants in a lump sum amount in federal fiscal years 1997 through 2002.[2] The amount of block grant funding that each state is eligible to receive depends on the state's pre-TANF spending for AFDC benefits and administration, the Job Opportunities and Basic Skills Training (JOBS) program, and Emergency Assistance. Because the block grants are tied to past spending levels — and because welfare caseloads have declined so sharply — most states have experienced a substantial windfall; that is, states have gotten much more funding per recipient under the block grants than they would have received under the AFDC system. PRWORA's maintenance-of-effort provisions require the states to maintain spending of at least 80 percent of their former spending level (or 75 percent, if the state meets the federal work participation rates, discussed below).

Together, the federal block grants and the state maintenance-of-effort funds, combined with falling caseloads, meant that most states had unprecedented amounts of money to spend on behalf of poor people — and unprecedented freedom in deciding how to spend it. Thus, states could determine how to allocate their TANF block grants between cash benefits and services. Within broad federal parameters, they were free to set eligibility standards and work program requirements.[3] They could also determine how much of recipients' earnings to disregard in calculating benefit amounts; establish diversion programs to keep families from going on aid; institute "family caps" (that is, eliminate or curtail grant increases for additional children born to mothers on welfare); mandate participation in substance abuse treatment; and impose sanctions (that is, financial penalties) on recipients who lacked "good cause" for noncompliance.

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[2] The five-year federal time limit for recipients already on the rolls started on the date that the states implemented their block grant program.

[3] For example, while federal legislation does not allow states to use TANF funds to support households without a minor child, states may set more narrow eligibility criteria. Similarly, while the federal law requires work participation of adult recipients whose youngest child is age 1 or older, states may require participation of adults whose youngest child is less than 1 year old.

Indeed, the federal government's ability to exercise control over the states was explicitly limited to the imposition of financial penalties — reductions in the TANF block grants — on states that used their block grants to pay the welfare benefits of families who exceeded their time limits, failed to meet work program participation requirements established in PRWORA, or otherwise did not abide by regulations. There were few constraints on how states spent their maintenance-of-effort funds, apart from the requirement that they be spent on a broad range of services that were "reasonably calculated" to accomplish the purposes of the block grants and on behalf of families with children who were income-eligible for TANF (including those who would be eligible if they had not exceeded their time limits). Hence, if states chose, they could use maintenance-of-effort funds to pay benefits for families who had been on the rolls longer than five years. Two important issues, then, are how PRWORA actually gets implemented by states and what the ensuing effects are on the welfare-reliant population.

The Urban Context of Welfare Reform

However welfare reform eventually plays out, the fate of recipients living in large urban areas will be critical in determining the impact of the new devolution policies nationwide. In recent decades, poverty and other social problems have become increasingly concentrated in central cities.[4] If the new approach triggers dramatic changes in public assistance programs, it is the residents of large urban areas who will feel the impacts — positive or negative — in greatest numbers.

One of the key challenges that big cities and counties face is the concentration of poverty and welfare receipt within their borders. This disparity has been exacerbated over the last several years as urban county caseloads have fallen more slowly than the nation's caseload as a whole. A recent study of large cities and urban counties found that although the 89 urban counties that were studied accounted for 32.6 percent of the U.S. population, their share of the national welfare population went from 47.5 percent in 1994 to 58.1 percent in 1999.[5] During the same period, the caseload decline in the urban counties was 10 percentage points lower than in the nation as a whole. This means that, over time, increased proportions of these states' welfare populations have become concentrated in the states' biggest cities — a fact that tends to broaden the political divide between state legislators from the big cities and those from suburban and rural areas. Cuyahoga County is no exception to this trend. With only 12 percent of Ohio's population, its disproportionate share of the welfare caseload went from approximately 19 percent in 1992 to almost 25 percent in 2000.[6]

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[4] Jargowsky, 1997.

[5] Allen and Kirby, 2000.

[6] Although Cuyahoga County resembled the national trend during the study period, the situation had changed by 2002, when the county's proportion of the Ohio caseload had returned to 19 percent.

In terms of recipients' characteristics, environmental conditions, TANF policies, and program implementation, the big cities are disadvantaged on several counts. The personal characteristics of poor people living in the cities suggest that many of them will face difficulties. Immigrants — whose access to benefits has been curtailed under PRWORA — are much more likely to live in big cities than in rural areas. Long-term welfare recipients are also disproportionately concentrated in big cities. These are the recipients who have had the least success in securing employment or otherwise getting off welfare, and they are the most likely to be negatively affected by PRWORA's participation requirements and time limits.

Even in the healthy U.S. economy of the late 1990s, the majority of job growth occurred in the suburbs rather than in the central cities, and cities suffered from higher rates of unemployment than their surrounding areas. In particular, in many urban areas, employment prospects for workers with little education either declined sharply or failed to keep pace with employment for better-educated workers.[7] One study has broken down unemployment rates in 20 cities by gender, race, age, and educational level.[8] The findings suggest that unemployment has been especially high for the populations most likely to turn to welfare and be affected by welfare reform. Thus, more than one-fifth of African-American women with less than a high school degree were unemployed between 1994 and 1996, and over one-third were underemployed (a category that includes those working part time who want to work full time; those who want to work but are discouraged by their inability to find jobs; and those who are neither working nor seeking employment but who want to work and have looked for a job in the prior 12 months).

Increasing employment and reducing welfare receipt among inner-city residents may therefore depend in large part on their securing access to more plentiful jobs in the suburbs. Problematically, though, the kinds of job openings for which welfare recipients are qualified in suburban locations present formidable barriers based on space and race. For example, recent employer surveys in Chicago, Cleveland, Milwaukee, and Los Angeles found that the majority of job openings for which welfare recipients were qualified were in suburban firms that had little experience in employing African-American workers and were located far from public transit stops.[9] In these surveys, even though most job openings were in the suburbs, most of the recently hired welfare recipients were working for inner-city, not suburban, employers. Thus, obtaining the more plentiful suburban jobs requires that adequate public transit systems (or transportation assistance) be in place and that the agencies charged with helping recipients find employment keep them informed about job opportunities in suburban areas and help them to overcome racial discrimination. This kind of help may be especially important for inner-city welfare recipients, whose social networks are less likely to include stably employed neighbors who can act as informal sources of job referrals.[10]

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[7] Kasarda, 1993.
[8] Bernstein, 1997.
[9] Holzer, 1999; Holzer and Stoll, 2000.

Big-city welfare agencies often face particular implementation challenges related to the size of their caseloads, constraints imposed by union or civil service rules, and aging physical plants. It is especially notable that in implementing their pre-TANF waiver plans, some states exempted large urban areas from coverage, "effectively excluding them from the early innovation that took place in other parts of the state."[11] Rightly or wrongly, big-city welfare departments are often perceived as bureaucratic institutions that are resistant to change.

Thus, understanding how welfare reform unfolds in the big cities is crucial to understanding the future of poor families in this country. At the same time, however, metropolitan America is not monolithic. Indeed, recent studies have shown that the opportunities and barriers for welfare recipients vary markedly depending on local labor markets,[12] transportation routes,[13] and demographic characteristics of the population and housing.[14] Moreover, devolution of program decisions to the local level means that important differences in implementation need to be studied and taken into account. Studies such as Urban Change that are specific to place can be sensitive to the particular timing or steps in the policy implementation process, since these are apt to differ across locales — even within the same state. This report on Cuyahoga County and subsequent reports on the other Urban Change counties provide a view of how local decisions and urban context have affected welfare reform implementation and results.

Economic and Social Trends in the Cleveland Metropolitan Area

Before drawing inferences from a study that focuses on one metropolitan area, some appreciation of the distinct urban context is required. Cuyahoga County is the largest of Ohio's 88 counties both in population and in the size of the welfare caseload. Although the county's welfare caseload is concentrated within the City of Cleveland, there are more than 50 other suburban municipalities within the county as well. Cleveland is located on the shores of Lake Erie and is the central city in an eight-county consolidated metropolitan statistical area (CMSA). Cleveland's history is one of an industrial giant that peaked in its population in 1950. Even though its ranking as a population center and an engine of economic development has waned in recent years, it claims a strong tradition of government and civic leaders, corporate involvement in the community, philanthropic activity, and public and private partnerships in human services. A city of strong and distinct neighborhoods, Cleveland has also recently undergone significant downtown development, including such tourist destinations as stadiums and museums. The city and region are actively confronting many of the demographic and economic challenges that are detailed below.

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[10] Wilson, 1996.

[11] Allen and Kirby, 2000, p. 16.

[12] Holzer and Danziger, 2001.

[13] Holzer and Stoll, 2000.

[14] Coulton, Leete, and Bania, 1999.

Welfare reform in Cuyahoga County was introduced in a dynamic demographic context. Table 1.1 presents selected demographic trends for the region. The population trends in Cleveland resemble many older industrial cities that have become increasingly suburbanized. The population that was once clustered in central-city industrial neighborhoods has now spread into surrounding cities and counties. Since 1970, the City of Cleveland and Cuyahoga County have declined in population by 36.3 percent and 19.0 percent, respectively. Although the surrounding counties have increased their population share, the region as a whole has experienced a net population loss since 1970.

The low-income population of the region has become increasingly concentrated within the City of Cleveland, as evidenced by the poverty rates, which peaked in 1990 (Table 1.1). Furthermore, the poor residents of the county have become increasingly more likely to live in extremely poor neighborhoods. The percentage of the county's poor living in census tracts with poverty rates of 40 percent or more (a threshold generally thought to represent extreme disadvantage) had reached 29 percent by 1990. With respect to the concentration of poverty, the Cleveland metropolitan area compares unfavorably with other regions of the country. A study of the 100 largest metropolitan areas found Cleveland to be among the most economically divided, with both affluent and poor households living in relative isolation.[15] The concentration of poverty in the Cleveland metropolitan area is a function of its fairly high-income inequality and also the fact that its African-American population is among the most highly racially segregated in the nation.[16] Moreover, while the poor have largely remained in the central part of the region, the affluent population has tended to cluster at the outskirts of Cuyahoga County and across the county line.[17]

In some cities, older neighborhoods have experienced significant immigration from Asia and Latin America, but such is not the case in Cleveland. Table 1.1 also presents the ethnic composition of the area. The Cleveland metropolitan area has a sizable African-American population but a relatively small Hispanic population. Unlike many regions that are growing, the Cleveland area has little immigration from other countries, as can be seen in the percentage of the population who are foreign-born; the proportion is relatively small and has declined since 1970.

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[15] Coulton, Chow, Wang and Su, 1996.
[16] Massey and Eggers, 1990.
[17] Coulton, Chow, Wang, and Su, 1996.

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Table 1.1

Demographic and Economic Trends, Cleveland Metropolitan Area

Trend	1970	1980	1990	2000
Population				
CMSA	3,098,048	2,938,277	2,859,644	2,945,831
Cuyahoga	1,720,835	1,498,400	1,412,140	1,393,978
Cleveland City	750,879	573,822	505,616	478,403
Percentage of CMSA population in central city	24.2	19.5	17.7	16.2
Poverty rate (%)				
CMSA	8.8	9.5	11.4	10.6[a]
Cuyahoga	9.8	11.3	12.8	13.1[a]
Cleveland City	17.1	21.8	28.1	26.3[a]
Percentage who are African-American				
CMSA	12.7	14.6	15.5	16.8
Cuyahoga	19.1	22.8	24.8	27.4
Cleveland City	38.3	43.8	46.5	51.0
Percentage who are Hispanic				
CMSA	1.2	1.5	1.9	2.7
Cuyahoga	1.2	1.6	2.2	3.4
Cleveland City	1.9	3.1	4.4	7.3
Percentage who are foreign-born				
CMSA	5.8	5.1	4.1	4.6
Cuyahoga	7.5	7.0	5.3	6.4
Cleveland City	7.5	5.8	4.1	4.5
Total employment				
CMSA	1,115,027	1,177,367	1,256,784	1,394,562[a]
Cuyahoga	877,419	880,733	914,818	975,172[a]
Cleveland City	287,416	214,179	182,694	180,698
Percentage of jobs in manufacturing				
CMSA	31.3	25.8	19.6	16.3[a]
Cuyahoga	30.2	24.5	18.1	13.9[a]

SOURCES: University of Virginia Library, 2002; U.S. Bureau of the Census, 1980; U.S. Bureau of the Census, 2002; U.S. Department of Commerce, 1973; U.S. Department of Housing and Urban Development, 2002.

NOTES: In the case of Cuyahoga, the Cleveland-Akron CMSA (consolidated metropolitan statistical area) includes the eight counties of Ashtabula, Cuyahoga, Geauga, Lake, Lorain, Medina, Portage, and Summit.

[a] Data are for 1999.

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The Cleveland-area economy also has experienced many structural changes characteristic of northern industrial cities. These economic changes are integrally related to the demographic shifts described above. During the first half of the twentieth century, Cleveland grew into a strong manufacturing center. At that time, Cleveland ranked high in the nation on many indicators of prosperity. It was hard hit, however, as the size of its manufacturing sector declined precipitously after 1970. While manufacturing represented almost one-third of employment in 1970, it had been cut to less than 20 percent by 2000. The region has recently compensated for this loss by significant development of its service sector, and total employment since 1970 has, indeed, grown — by 25 percent. However, the earnings of workers without advanced education have fallen as the industrial mix has shifted away from manufacturing.

Suburbanization has also affected employment, with many enterprises relocating to the suburbs and with the development of new businesses in outlying areas. Of particular relevance to welfare recipients, who mainly live in the city, is that employment growth has mainly been a suburban phenomenon. Between 1991 and 1996, the number of jobs in the City of Cleveland actually fell by 1.6 percent while the suburbs experienced job growth of 121 percent.[18] Since welfare recipients are most likely to qualify for low-skill job openings, it is also important to examine the location of such jobs. As Table 1.2 shows, most low-skill job openings are in the suburban areas of the Cleveland-Akron metropolitan area. The City of Cleveland accounts for 20 percent of the low-skill job openings, while 80 percent lie outside the city. With the exception of suburban Cuyahoga County, no single suburban area dominates. Yet, taken together, nearly 50 percent of the job openings are located outside Cuyahoga County.[19]

The challenge of reaching low-skill jobs in the suburbs is greatest for the approximately 50 percent of welfare recipients who rely on public transit. For example, for the average welfare recipient, an auto commute of 20 minutes results in access to 12.8 percent of entry-level job openings, while a commute of the same length via public transit yields access to only 1.9 percent of job openings. For a 30-minute trip, the auto commute provides access to 41.7 percent of job openings, compared with 7.1 percent for a public transit commute. Thus, auto commuting provides access to roughly six times as many job opportunities as commuting by public transportation. Alternatively, it would take public transportation commuters about 65 minutes to reach the same number of job opportunities as auto commuters can reach in 30 minutes. Each day, it would take an extra 70 minutes of commute time for public transit users to have equal access to job openings.

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[18] U.S. Department of Housing and Urban Development, 1999.

[19] See Coulton, Leete, and Bania, 1999.

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Table 1.2

Geographic Distribution of Annual Entry-Level Job Openings, Cleveland-Akron Metropolitan Area

	Entry-Level Jobs	
Area	Number	Percentage of Total
Metropolitan area total	12,298	100.0
Cuyahoga County	6,274	51.0
City of Cleveland	2,412	19.6
Cuyahoga suburbs	3,862	31.4
Ashtabula County	303	2.5
Geauga County	240	2.0
Lake County	974	7.9
Lorain County	915	7.4
Medina County	600	4.9
Portage County	555	4.5
Summit County (with City of Akron)	2,437	19.8

SOURCE: Bania, Coulton, and Leete, 2000.

The job access problems in the Cleveland metropolitan area are similar the situation in some other large industrial cities. However, many smaller and newer cities in Ohio and elsewhere have fewer spatial barriers because both low-skill jobs and affordable housing are more dispersed, shortening the commute times. Also, cities with more extensive and high-speed public transit systems may present fewer spatial barriers to mobility regardless of where welfare families live. In this respect, Cleveland is a city in which employment is highly decentralized relative to other cities in the nation,[20] and the limited public transportation isolates poor neighborhoods from skill-appropriate employment opportunities. Given such a pattern, significant efforts are needed to assist workers in bridging spatial barriers.

Despite these trends toward decentralization and the structural changes in the area's economy, the mid to late 1990s showed positive trends in the Cleveland region's business cycle.

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[20] Glaeser, Kahn, and Chu, 2001.

The rates of unemployment in the city, region, and state are presented in Figure 1.2. Unemployment reached its lowest point in many years in 1998, although the jobless rate in Cleveland far exceeded the rates in the region and state. The poverty rate among single women with children in Cuyahoga County fell from 61.4 percent in 1990 to 49.8 percent in 2000. A similar drop occurred statewide.[21] Thus, the period of welfare reform that is covered in this study coincided with the strongest and most prolonged demand for labor in the region's recent history.

The welfare caseload in Cuyahoga County was declining before welfare reform went into effect (Figure 1.3). This drop, which was clearly evident by 1993, followed a sharp rise in the caseload that began in the late 1980s. In fact, the cash assistance caseload grew 9 percent in only two years, between 1990 and 1992. The turnaround between 1992 and 1993 was coincidental with the point at which unemployment rates in Cleveland began to fall. Welfare reform was thus introduced into a context in which the dynamics of welfare were already undergoing positive change and the economic outlook for Cleveland seemed to be the best it had been in a decade. Yet there was considerable trepidation about the effects that this radically changed policy would have on welfare families, the working poor, and the community as a whole. Supporters of the new policy expected it to spur innovation that would enable welfare families to become more self-supporting. Moreover, parental employment was expected to bode well for children and communities. Others envisioned a bleaker scenario, fearing that work requirements would be onerous and that employment programs would lead to only temporary or dead-end jobs. Sanctions and time limits would leave some families destitute, and even those who found work would be worse off than when they were on welfare. In Cuyahoga County, the debate around these issues was broad-based and vigorous, leading to a level of community involvement and openness that was unprecedented with respect to welfare and poverty. This high level of public participation and ongoing dialogue with public officials is another important component of the social context of welfare reform in Cuyahoga County.

Components of the Study

To provide a comprehensive analysis of the recent welfare policy changes and resulting effects, the Urban Change project includes five major components that build on and complement each other:

1. ***An implementation study*** to describe the policies and programs that each county welfare agency put into place and the successes and obstacles that local agencies experienced in delivering benefits and services. As noted earlier, welfare reform gave state and local governments considerable flexibility in

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[21] Exner, 2002.

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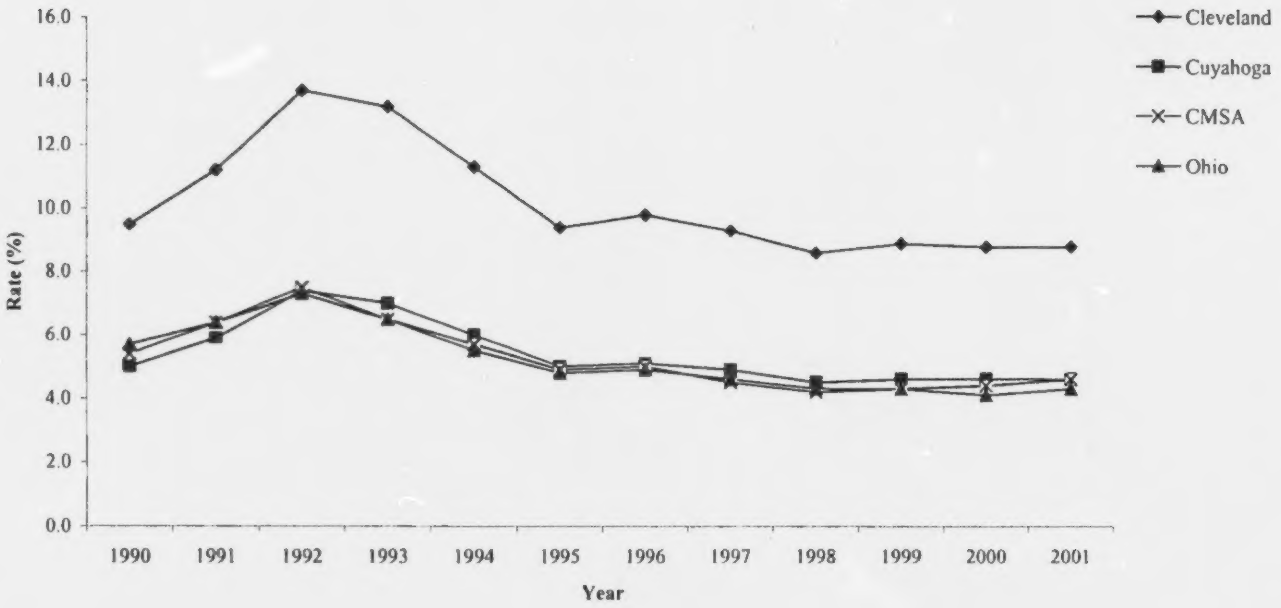
Figure 1.2

Unemployment Rates in Greater Cleveland and Ohio



SOURCE: U.S. Department of Labor, Bureau of Labor Statistics, 2002.

NOTE: In the case of Cuyahoga, the Cleveland-Akron CMSA includes the eight counties of Ashtabula, Cuyahoga, Geauga, Lake, Lorain, Medina, Portage, and Summit.

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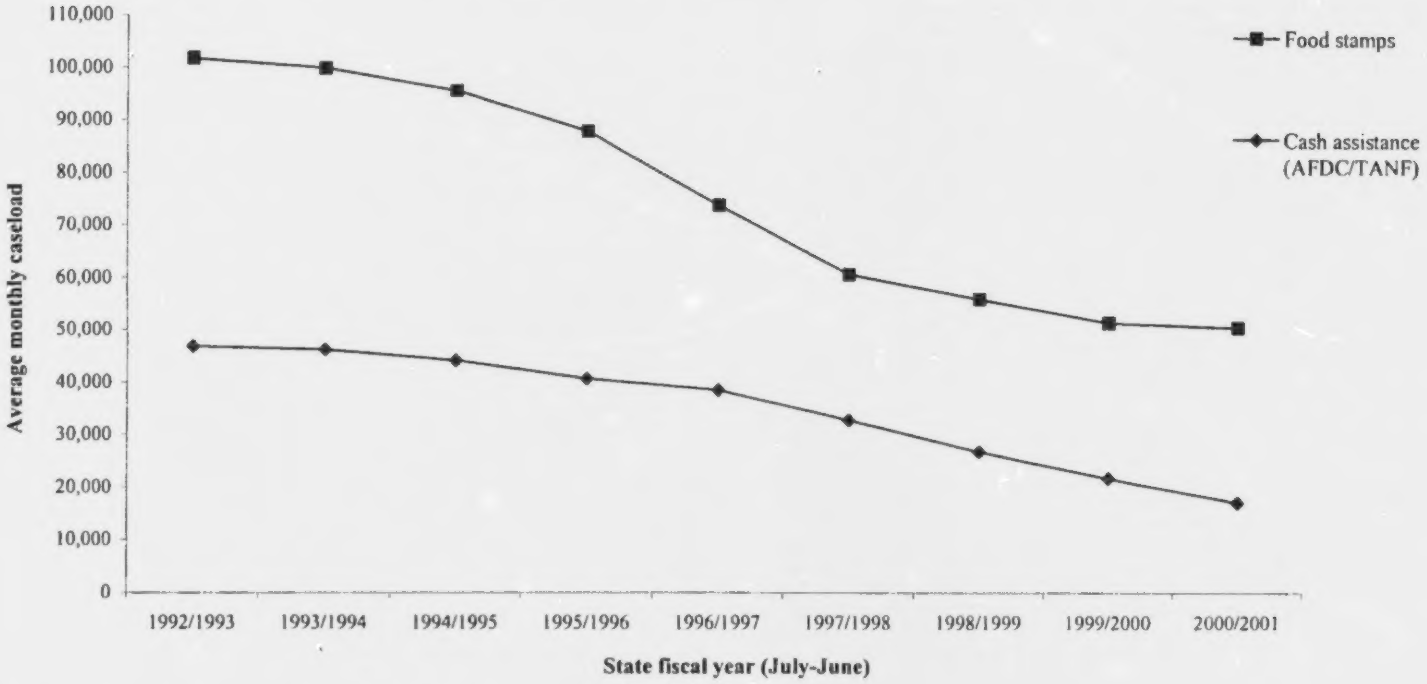
Figure 1.3

Monthly Cash Assistance and Food Stamp Caseloads in Cuyahoga County, 1992/1993 - 2000/2001



SOURCE: Cuyahoga County Income Maintenance Files.

NOTE: A case represents any configuration of household members who receive benefits together. For food stamps, a case may include individuals or families. For AFDC/TANF, a case may include adults and children together or children only.

how they administered programs. The implementation study involves extensive field research in each county, combined with surveys of welfare staff and analysis of program participation and expenditure data, to understand how local TANF programs operated and evolved — and how such programs were perceived by welfare staff and clients.

2. ***An analysis of state and county administrative records data*** to measure the effects of welfare reform on welfare receipt, employment, and earnings. The study collected records for the universe of food stamp and cash assistance recipients in the study counties between 1992 and 2000. The research methodology, known as a multiple cohort comparison, involves comparing outcomes for similar groups of welfare recipients before and after welfare reform went into effect, to see whether the new policies led to significant changes in behavior.

3. ***A longitudinal survey*** to gather detailed information on changes over time in low-income families' employment and income, economic hardship, quality and stability of living arrangements, marriage and childbearing, health, and receipt of services. In each county, a random sample of approximately 1,000 women between the ages of 18 and 45 who were single parents and who lived in high-poverty neighborhoods was drawn from the May 1995 AFDC and food stamp caseload. They were first interviewed in 1998 and were interviewed again in 2001.

4. ***An ethnographic study*** to provide an in-depth look over time at the experiences of 30 to 40 low-income families in each county. While the longitudinal survey was designed to yield aggregate statistical information, the ethnographic study was intended to provide qualitative data on the same array of topics. Ethnographic respondents were asked to discuss their welfare, employment, and other life experiences during a series of interviews conducted between 1998 and 2001.

5. ***A neighborhood indicators study*** to develop statistical profiles of the counties as a whole and of low-income neighborhoods within the counties; and to determine whether conditions in low-income neighborhoods changed over time as a result of welfare reform. The indicators include employment, poverty, residential mobility, births to unmarried women, births to teenagers, child maltreatment, infant mortality, access to health care, property values, crime rates, and others. The study has investigated trends in neighborhoods

with high concentrations of welfare receipt as well as overall city and county trends from 1992 through 2001.

Table 1.3 summarizes the data sources used for this report. The combination of individual-level and neighborhood-specific data provides a comprehensive and rich description of how welfare agencies, low-income families, and poor communities have adapted to welfare reform. The longitudinal data offer insights into changes over time — and whether welfare reform may have contributed to these changes.

The Organization of This Report

This report is organized into six chapters, each of which provides a different view of how welfare reform was put into effect in Cuyahoga County and what happened subsequently or as a result:

- Chapter 2 focuses on the policy and program changes introduced after welfare reform and the experiences of former and ongoing welfare recipients. Drawing on documents, observations, and key informant and client interviews, it addresses the question: *How has welfare reform been implemented in Cuyahoga County?*

- Chapter 3 uses administrative records on welfare participants between 1992 and 2000 to examine how their patterns of employment and welfare use changed over this period. Using a carefully constructed cohort design, the chapter addresses the question: *Did welfare reform have a measurable effect on rates of entering or leaving welfare and becoming employed?*

- Chapter 4 draws on surveys and ethnographic interviews with welfare recipients who resided in poor neighborhoods and were interviewed at several points during the study period. It addresses the question: *How did welfare families' employment situations change during welfare reform implementation and what barriers did they have to overcome to move from welfare to work?*

- Chapter 5 uses the same survey and ethnographic data as Chapter 4. It focuses on answering: *What were the material and social circumstances of welfare families and how did these circumstances change as families moved from welfare to work or reached time limits on their benefits?*

Table 1.3

Data Used for the Cuyahoga Study

Data Type	Data Source	Sample	Time Period and Coverage	Chapter Relying on Data
Program implementation	Field/observational research	Interviews and observations conducted in 3 neighborhood offices and the central office downtown	Six rounds between 1997 and 2001	2
	Survey of case management staff	The universe of case managers; 88% of staff completed a survey (n = 256).	Administered in April 2000	
County and state administrative records: cash assistance, food stamps, Medicaid, and unemployment insurance records	Center on Urban Poverty and Social Change, Case Western Reserve University; Ohio Department of Job and Family Services	The universe of recipients who received food stamps, AFDC/TANF, or Medicaid between July 1992 and December 2000 (n = 536,256)	Eligibility records for the period July 1992 to December 2000; unemployment insurance records for the period January 1992 to December 2000	3, 6
Longitudinal surveys	Two waves of in-person interviews with current and former welfare recipients, conducted by the Institute for Survey Research, Temple University	Randomly selected recipients of cash assistance in Cuyahoga County in May 1995 who were single mothers, between the ages of 18 and 45, and resided in neighborhoods where either the poverty rate exceeded 30% or the rate of welfare receipt exceeded 20%. In Wave 1, 80% of the sample completed a survey; in Wave 2, 86% of Wave 1 respondents completed a survey; 689 respondents completed both surveys.	Wave 1 completed between March and December 1998; Wave 2 completed between March and September 2001	2, 4, 5

(continued)

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Table 1.3 (continued)

Data Type	Data Source	Sample	Time Period and Coverage	Chapter Relying on Data
Ethnography	Four rounds of in-depth, in-person interviews with current and former welfare recipients, conducted by on-site researchers at Kent State University	Thirty-eight families residing in 3 neighborhoods varying in ethnic composition and poverty: Detroit- Shoreway, East Cleveland, and Glenville	Interviews conducted from 1998 to 2001	2, 4, 5
Aggregate neighborhood indicators	Social and economic indicators from administrative agency records, prepared by the Center on Urban Poverty and Social Change, Case Western Reserve University	All residential census tracts in Cuyahoga County	Census-tract annual indictors from vital records, tax assessor's property files, child welfare, crime, and welfare and wage records for 1992 through 2000	6

- Chapter 6 shifts attention from individuals to the neighborhoods in which they live. By comparing trends in neighborhoods in which welfare recipients reside with the balance of the county, it addresses the question: *How did conditions in low-income neighborhoods change during the implementation of welfare reform*?

The study's overall conclusions and a discussion of policy implications are located in the Summary Report at the front of this volume.

Chapter 2

The Implementation of Welfare Reform in Cuyahoga County

As described in Chapter 1, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) set the parameters for welfare reform, but it left a number of important decisions to state and local governments. For example, cash assistance — known as Temporary Assistance for Needy Families (TANF) — was limited to five years for most families, yet states were allowed to set shorter time limits and to determine exemption policies. Some aspects of the federal law were also subject to state and local prioritization. For instance, TANF was ascribed four purposes: aiding poor families, ending dependence on government benefits, preventing out-of-wedlock pregnancies, and encouraging the formation and maintenance of two-parent families. States and localities could emphasize each of these objectives equally or could give some objectives more attention than others.

This chapter examines how welfare reform played out in Cuyahoga County. Recognizing the role that Ohio's lawmakers played in shaping welfare reform, the chapter begins with an overview of the state's legislative response to PRWORA. This is followed by a two-part discussion of implementation in Cuyahoga County, covering (1) the changes made in the organizational structure of the welfare agency and (2) the implementation of case management, welfare-to-work activities, welfare diversion, and time limits. The chapter concludes with an analysis of how former and ongoing welfare recipients in the county experienced welfare reform. The data sources include six rounds of field research conducted in county welfare offices between 1997 and 2001; a survey of welfare department staff administered in 2000; a longitudinal survey of past and current welfare recipients in 1998 and 2001; and four rounds of ethnographic interviews with past and current welfare recipients conducted between 1998 and 2001.

Summary of Findings

- Ohio's TANF program, called Ohio Works First (OWF), introduced a number of important changes to the state's welfare program, including a 36-month time limit on cash assistance. Other changes included a new emphasis on diverting applicants from going on welfare, a simplified and expanded earned income disregard policy (making it easier for recipients to combine work and welfare), and tougher work requirements.

- In response to OWF, Cuyahoga County transformed its welfare operations. It created a special division focused on time-limited cases, opened 11 neighborhood family service centers, and adopted a new model of case management that integrated income maintenance and employment functions.

- The county placed a major emphasis on welfare diversion, as case managers tried to "sell" applicants on taking other benefits — namely food stamps, Medicaid, and child care subsidies — instead of cash. In late 1999, the county started offering one-time payments called Prevention, Retention, and Contingency (PRC) grants to help with diversion, though spiraling costs led to subsequent restrictions on these payments.

- As time limits approached, the county placed increasing emphasis on moving clients into employment. The percentage of welfare recipients who either worked or participated in job preparation activities increased each year, accounting for nearly 50 percent of the adult caseload in fiscal year 2000.

- The county enforced time limits rigidly: From October 2000 through September 2001, approximately 4,000 cases were cut off cash assistance. A relatively small number of cases received short-term extensions or participated in a post-time-limit employment program.

- Interviews with former and ongoing welfare recipients in Cuyahoga County suggest that their awareness of major welfare reform policies grew from 1998 to 2001 but that they were sometimes confused about the details. A principal area of confusion was the incorrect belief that food stamps and Medicaid — and not just cash assistance — were time-limited. Ongoing recipients reported that they were "pushed" by welfare staff to find work and that they were urged to "bank" their months on welfare.

- Welfare reform in Cuyahoga County was more a process than a singular "event." Although the official start date for OWF was October 1997, an atmosphere of change prevailed much sooner, and the subsequent reorganization of the welfare department and other changes took place throughout 1998 and later.

Rewriting the Rules: Ohio's Welfare Reform Policies

Although "welfare reform" is often equated with PRWORA, Ohio had taken major steps to reduce welfare rolls and promote self-sufficiency before 1996. After Congress passed the 1988 Family Support Act (FSA), for example, Ohio devoted considerable resources to developing its welfare-to-work program, known as Job Opportunities and Basic Skills Training (JOBS). By 1995 — when FSA required states to have 20 percent of the JOBS-mandatory welfare population (namely, adults whose youngest child was age 3 or older) enrolled in JOBS — Ohio achieved a statewide participation rate of 33.8 percent, placing it in the top third of states nationwide.[1] Ohio also launched a major program in 1989 to reduce welfare dependency and encourage school completion among teens on welfare, called Learning, Earning and Parenting (LEAP). Between 1991 and 1996, county welfare departments throughout Ohio identified approximately 70,000 teens for LEAP services, which included a combination of financial incentives and sanctions tied to school attendance.[2]

Despite such efforts, by the mid-1990s, many Ohio lawmakers felt that they had not gone far enough to end welfare dependency. In 1992, they placed a six-month time limit on the state's General Assistance (GA) program for able-bodied adults without dependent children, and they eliminated GA altogether in 1995. Also in 1995 — inspired by the tough policies adopted by neighboring states like Michigan and Wisconsin — Ohio's lawmakers passed a bill requiring *all* adult welfare recipients with dependent children (not just those defined by federal law as JOBS-mandatory) to enter into a self-sufficiency contract with the welfare department, and they limited the amount of time that families could receive cash assistance to 36 months within a 60-month period.[3] Although the time-limit provision was subject to federal approval of a waiver proposal and did not go into effect, it indicates that the "message" of welfare reform was in the air well before PRWORA's passage.[4]

Soon after PRWORA became law, Ohio's welfare officials and lawmakers visited counties and held public meetings throughout the state to develop a plan for the state's TANF program. From this process, they drafted legislation authorizing two new programs: Ohio Works First (OWF), which replaced Aid to Families with Dependent Children (AFDC) and JOBS; and the Prevention, Retention and Contingency (PRC) program, which replaced Emergency Assistance. According to the state plan, OWF and PRC aimed to "transform public assistance from a system focused on entitlement to one focused on employment, personal responsibility and self-sufficiency."[5] Governor Voinovich signed legislation authorizing the two programs in July 1997, and statewide implementation began in October 1997.[6] As shown in Table 2.1, OWF and PRC introduced a number of important changes:

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[1] U.S. Department of Health and Human Services, Administration for Children and Families, 1998.

[2] Welfare Policy Center, Hudson Institute, 2002.

[3] State of Ohio, 1995.

[4] There is evidence that some of the key provisions of welfare reform had also entered the public discourse before 1996. For example, a national telephone survey of 801 low-income adults conducted in May 1995 found that 57 percent supported a proposal that included a two-year lifetime limit on benefits and a strict work requirement (Joint Center for Political and Economic Studies, 1997).

[5] State of Ohio, Department of Human Services, 1997.

[6] State of Ohio, Department of Human Services, 2002.

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Table 2.1

Changes in Welfare Policies in Ohio Since Welfare Reform

Benefit Type	Pre-Welfare Reform (1993-1997)	Post-Welfare Reform (1997-2000)
Cash assistance (AFDC or TANF)		
Maximum grant, family of 3 ($)	341	341-373[a]
Time-limit policy	None	36 months of cash assistance, followed by 24 months off. Lifetime limit of 60 months
Diversion policy	None	Prevention, Retention, and Contingency grants in lieu of TANF[b]
Earnings disregard policy	$90 work expense plus $30 and 33 percent of earnings in first four months	$250 plus 50 percent of earnings
Income levels at which eligibility ends, family of 3 ($)		
First 4 months	632	974
After 12 months	431	974
Work requirements		
Age of youngest child for "mandatory" recipients	3	1[c]
Number of hours of work activities required each week	20	30
Penalty for noncompliance	Termination of adult portion of cash grant	Termination of family cash grant[d]
Child support enforcement		
Penalty for noncompliance	Termination of adult portion of cash grant	Termination of family cash grant[d]
Amount of child support collections "passed through" to recipient ($)	50	0
Food stamps		
Maximum grant, family of 3 ($)	292-321[e]	321-335[e]
Income levels at which eligibility ends, family of 3 ($)	1,254-1,445[f]	1,445-1,504[f]
Penalty for noncompliance with work requirement or child support enforcement	No reduction in food stamps	Noncompliant adult removed from food stamp grant

(continued)

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Table 2.1 (continued)

Benefit Type	Pre-Welfare Reform (1993-1997)	Post-Welfare Reform (1997-2000)
Medicaid		
Coverage of children in poverty	Children under age 6 in households with income at or below 133 percent of federal poverty level, and children ages 6 through 18 in households with income at or below 100 percent of federal poverty level	Children under age 19 in households with income at or below 150 percent of poverty level[g]
Penalty for noncompliance with AFDC or TANF work requirement	No reduction in Medicaid coverage	Noncompliant adult loses Medicaid coverage with 3rd-tier sanction[d]

SOURCES: Bernard, 1998; Brock, Nelson, and Reiter, 2002; Hamilton et al., 2001; Rosenbaum, 1996; Quint et al., 1999; State of Ohio, Department of Human Services, 1997; U.S. House of Representatives, 1993, 1998, 2000; site contacts.

NOTES: [a] TANF grant levels increased in January 2000.

[b] The state of Ohio permits counties to define Prevention, Retention, and Contingency (PRC) grant policies. In Cuyahoga County, up to $3,000 in PRC funds are available to families during a 12-month period for diversion, emergencies, and other purposes.

[c] The state of Ohio permits counties to set lower age limits for "mandatory" recipients. In Cuyahoga County, work activities are required of TANF recipients whose youngest child is 12 weeks or older.

[d] Ohio has a 3-tiered sanction policy for noncompliance with work requirements. Tier 1 lasts 30 days or until compliance, whichever is longer. Tier 2 lasts a minimum of 90 days, and Tier 3 lasts a minimum of 180 days.

[e] $321 was the maximum food stamp allotment for a family of 3 in fiscal year 1998.

[f] $1,445 was the income cutoff for food stamps for a family of 3 in fiscal year 1998.

[g] The Children's Health Insurance Program was implemented in January 1998. In July 2000, income eligibility was extended to children in households with income at or below 200 percent of poverty.

- **Time limits.** OWF limited families to 36 months of cash assistance, followed by a minimum period of 24 months of ineligibility. The time-limit "clock" started ticking on October 1, 1997; any families who received welfare continuously after this point were expected to receive their last check in September 2000. The state established a *lifetime* limit of 60 months, meaning that families who used up their 36 months were potentially eligible for up to two more years of cash assistance after a 24-month period in which they received no cash benefits.

- **Welfare diversion.** Before welfare reform, Emergency Assistance was available to help families in crisis, but it was not necessarily intended to divert families from going on welfare. The PRC program was created explicitly for this purpose. Counties were authorized to provide cash and noncash services to help families with one-time, urgent needs that — if unattended — could result in families' needing ongoing cash assistance.

- **Earned income disregard.** To provide an incentive to work, Ohio has for many years allowed a certain portion of earned income to be disregarded (that is, not counted) when eligibility was determined for cash assistance. Before welfare reform, the disregard was $90 plus $30 and 33 percent of earnings during the first four months of employment. This meant that a welfare mother who had two children and went to work could retain some cash benefits until her income reached $632 (during months 1 through 4), $461 (during months 5 through 12), or $431 (after 12 months). Under OWF, the earned income disregard policy was simplified and expanded. Welfare recipients were allowed to keep the first $250 plus 50 percent of earnings for the full period that they were on cash assistance. A family of three lost OWF eligibility at the point that its earnings reached $974 a month.

- **Work requirements.** Before welfare reform, Ohio required adults whose youngest child was age 3 or older to participate in JOBS for an average of 20 hours per week. If adults did not participate as required, they could be sanctioned, meaning that their share of the family's grant would be eliminated until they complied (but the children's grant would remain). In fiscal year 1995, Ohio's JOBS program primarily emphasized employability assessment and education.[7] Under OWF, all adults whose youngest child was age 1 or older (or younger, at county option) were required either to work or to attend employment-preparation activities for an average of 30 hours a week. The penalty for noncompliance became much more severe: If adults did not participate, the family's entire grant was terminated. Finally, the emphasis of OWF shifted from education to activities more directly related to work.

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[7] U.S. House of Representatives, Committee on Ways and Means, 1998.

- **Child support enforcement.** Before welfare reform, single parents applying for or receiving welfare were required to provide information regarding the noncustodial parent (usually an absentee father) or else be removed from the cash grant. If the child support enforcement agency succeeded in collecting payments from an absentee parent, welfare recipients received a "pass-through" of up to $50 a month on top of their welfare checks; the state kept the remainder until it received full reimbursement for the money spent on the family's cash benefits. Under OWF, Ohio upgraded the penalty for failure to cooperate with child support enforcement to a full-family sanction, and it eliminated the $50 pass-through. As long as a family received welfare, the state retained the full amount of any child support payments that were collected until it received full reimbursement for the money spent on cash benefits. Child support payments were turned over to the family only after leaving cash assistance.

Viewed as a whole, these changes suggest that the principal objective of welfare reform in Ohio was to end dependence on government benefits through a combination of employment, child support, and time-limited benefits. Although permitted to do so under PRWORA, Ohio's lawmakers did not adopt any policies specifically designed to promote marriage or reduce out-of-wedlock births, such as family caps (a policy that prevents welfare grants from being adjusted upward if a family has more children while on welfare). Similarly, Ohio did not pass a Learnfare program (holding adult welfare recipients accountable for their children's school attendance) or require adults to be sanctioned if they failed to have their children immunized.

The overhaul of cash assistance at the federal and state levels had direct and indirect effects on food stamps. Because food stamps are not time-limited — and because the amount of benefits was adjusted upward for inflation — their importance to welfare recipients and the working poor presumably increased after welfare reform. This is particularly true in Ohio, where the cash grant remained flat throughout the 1990s. (A family of three received $341 a month.) To reinforce the new OWF work requirements, Ohio elected to cut food stamp benefits for adult recipients who did not participate in work activities. Children's food stamp benefits, however, remained intact.

Access to health insurance for low-income families was considerably expanded in Ohio after welfare reform, owing to a combination of federal and state legislation. Through 1997, Ohio provided Medicaid coverage to children under age 6 in households at or below 133 percent of poverty level and to children ages 7 through 18 in households at or below 100 percent of poverty level. In 1998, federal passage of the Children's Health Insurance Program (CHIP) resulted in eligibility being extended to *all* children under age 19 in households with income at or below 150 percent of poverty level. In July 2000, Ohio increased the income limit further, to 200 percent of poverty level. Unlike cash assistance and food stamps, Medicaid generally was not subject to sanctions. Ohio made one exception for "third-tier" sanctions (that is, the third instance of noncompliance) related to work requirements, which now resulted in the adult's loss of Medicaid coverage.

Ohio's welfare system is county-administered. Within the parameters set by federal and state law, county officials and staff have considerable discretion in how programs are designed and operated. The remainder of this chapter examines how welfare reform was implemented in Cuyahoga County.

Organizational Challenges and Responses to Welfare Reform in Cuyahoga County

Welfare reform did not catch Cuyahoga County by surprise. Ohio's lawmakers had been sending strong signals for some time that welfare should have tougher work requirements and be time-limited. Nevertheless, many county officials and community leaders feared that the county was not prepared for these changes. Despite gradual declines in the rolls since 1992 (see Chapter 1), tens of thousands of families depended on the county for cash assistance and food stamps. Cuyahoga's JOBS program was largely voluntary and focused on education; it had to be significantly expanded and refocused.[8] The county's economy was improving, but the job growth was concentrated in the outer suburbs, far from the central-city neighborhoods where most welfare recipients resided. The county's public transportation system was poorly equipped to get inner-city residents to suburban jobs.[9]

In the fall of 1996, county government officials and leaders from Cuyahoga's nonprofit sector formed the Welfare Reform Council to identify systemic problems in moving families to work and to develop potential solutions.[10] A year later, the county commissioners hired McKinsey and Company, an international management consulting firm, to further support its planning effort. Despite immense challenges, the commissioners came to view welfare reform as an opportunity to break away from the practices of the past — and, more important, to improve service delivery and reduce poverty in the county. By late 1997, they had adopted a plan that introduced three major organizational reforms:

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[8] Quint et al., 1999.

[9] Bania, Coulton, and Leete, 2000.

[10] Bania, Coulton, and Leete, 2000.

- **A dual agency structure.** The old welfare agency, known as the Department of Entitlement and Employment Services, was split into two parts: Cuyahoga Work and Training (CW&T) and Cuyahoga Health and Nutrition (CH&N). CW&T's mission was to work exclusively with the population receiving cash assistance, while CH&N's mission was to serve everyone else — namely, senior citizens, the disabled, and the working poor. According to one official, the rationale "was to give clarity and focus" to the agency confronting time limits. With the new structure, "it was a lot easier . . . to go out and say [to staff], 'Every single client who you see has this ticking time bomb.' It wasn't that 60 percent of your caseload has this ticking time bomb."

- **A neighborhood-based service delivery system.** Before welfare reform, the county operated a large welfare office in downtown Cleveland. In the latter half of 1998, the office was decentralized to 11 neighborhood family service centers. The goal was to rid the agency of its impersonal, bureaucratic image and to do a better job of connecting clients to jobs and other resources in their communities. As one official explained, "If you talk to the managers of the neighborhood service centers now, they can tell you who the local employers are, they know all the social service providers, they know the city council members. . . . That never would have happened with a centralized structure."

- **An integrated case management model.** In the past, Cuyahoga County hired separate groups of staff to perform income maintenance functions (for example, determining eligibility for cash assistance and other benefits) and welfare-to-work functions (assigning clients to education and training activities, monitoring participation, approving support services like child care, and similar duties). Starting in 1998, the county opted to consolidate these two functions.[11] County officials believed that, within the context of welfare reform, an integrated model offered two advantages. First, every single client who came onto welfare would immediately undergo an employment assessment and be referred to appropriate services. Second, staff would be better able to keep close tabs on the progress that clients were making toward employment as the 36-month time limit approached.

These reforms — which involved setting up new offices and hiring and training large numbers of staff — consumed the full attention of welfare administrators throughout 1998.

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[11] This decision was based largely on research indicating that an integrated case management model in Columbus, Ohio, produced higher participation in work-related activities and greater welfare savings than a traditional approach that used separate income maintenance and welfare-to-work case managers. See Brock and Harknett, 1998.

Though difficult to achieve, the "look" and operating procedures of the welfare agency were transformed. Perhaps one of the major accomplishments was to rally staff around a mission statement that placed new emphasis on making the welfare department more "user-friendly," "relentless" in focusing on employment, and performance-driven. Staff also committed themselves to strengthening Cleveland's neighborhoods and creating "an energizing and inspiring place to work."[12] This newfound vision gave staff a sense of purpose and a reason to hope that welfare reform would lead to positive changes for their clients and the community.

What accounted for the transformation? Clearly, the county commissioners' strong commitment to welfare reform played a major part. Many staff also credited former CW&T director Ralph Johnson, who brought tremendous energy and focus to the agency during his tenure (1998-2000). Johnson, in turn, credited the management team he assembled to lead CW&T and the 11 neighborhood centers. Finally, the funding surplus that emerged under welfare reform was essential. As noted in Chapter 1, the federal government provided TANF funds to states in the form of a block grant, based on pre-1996 expenditures for AFDC, Emergency Assistance, and JOBS.[13] In turn, Ohio applied the same formula to the counties (though recent state decisions have led to funding cuts, as will be discussed at the end of the chapter). With county caseloads on the decline, the county had more money to spend per client than ever before, and it also had more flexibility in how it could use the money. As a result, the county could undertake major reforms and expand services without taking away funds from other programs.

Case Management and Service Delivery Under Welfare Reform

Interactions Between Clients and Welfare Staff

Anyone who walked into one of Cuyahoga County's neighborhood family service centers after 1998 could not help but notice that welfare had entered a new era. In addition to housing welfare staff — now divided into separate units for CW&T and CH&N case managers — the centers provided space for child support enforcement officers and, in some locations, Ohio Bureau of Employment Services (OBES) staff. In the waiting areas, huge banners proclaimed the time-limit policy: "Your clock is ticking . . . Cash benefits are limited to a total of 36 months in your lifetime. [14] It's the law. Talk to your caseworker about time limits." OBES staff posted job listings from employers throughout the county. In some offices, closed-circuit televisions ran continuous feature stories and "infomercials" promoting the value of work, self-sufficiency, and responsible parenting.

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[12] Cuyahoga County of Ohio, 2000.

[13] U.S. House of Representatives, Committee on Ways and Means, 1998.

[14] In fact, the lifetime limit in Ohio is 60 months. After 36 months on cash assistance, families are ineligible for a minimum of 24 months but then can reapply for up to 24 months of additional aid.

For welfare applicants and recipients, the primary communicator of policies — and the conduit for all benefits and services received through the welfare department — were the CW&T case managers, known as Self-Sufficiency Coaches. These staff were expected to get to know their clients and to work with them until they left welfare. Their responsibilities included determining clients' eligibility for all benefits provided through the agency, including cash assistance, food stamps, and Medicaid; conducting employability assessments and assigning clients to work activities; processing child care payments for clients who were employed or attending work activities; monitoring participation in work activities; imposing sanctions on clients who failed to comply with OWF requirements; and enforcing time limits. In short, coaches had a complex job that demanded wide-ranging skills.

Before welfare reform, the vast majority of Self-Sufficiency Coaches had been employed by the welfare agency as income maintenance workers or JOBS case managers. As shown near the bottom of Table 2.2, their average length of employment was almost 13 years. Nearly all the coaches had at least some college; about half had a four-year degree or graduate-level training. Like the clients they served, most of the coaches were black women. They generally maintained caseloads of 80 or fewer cases — a relatively low number for staff in urban welfare departments.[15] To help them perform their duties, they used an automated computer system that guided them through eligibility and employment assessment interviews, calculated benefits, and maintained historical records of benefits and services received. One particularly helpful feature of the system was that it kept track of how many months remained before a client would hit the time limit for OWF, and it flashed that figure on the computer screen whenever the client's records were accessed.

On a survey conducted in April 2000, the coaches generally revealed good knowledge of the key tenets of welfare reform (Table 2.2). For example, over 90 percent knew that there was a diversion program to keep applicants from going on welfare; a requirement for adult recipients to work or participate in an approved work activity; and a lifetime limit on cash assistance. One policy that was not as widely understood was the earned income disregard, which only about two-thirds of staff correctly recognized. It is important to note that staff did not need to understand the earned income disregard in order for clients to receive it, since the computer

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[15] See Brock, Nelson, and Reiter, 2002; Hamilton and Brock, 1994.

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Table 2.2

Knowledge, Practices, and Characteristics of Self-Sufficiency Coaches

Characteristic	Percentage or Mean
Knowledge of welfare policies	
Staff who correctly reported that the county:	
Has a diversion program	97.1
Requires adult recipients to work or participate in an approved activity	98.8
Has a lifetime time limit on cash assistance	90.7
Has an earnings disregard policy	67.6
Discretion in case management	
Staff who report that personal judgment, rather than agency rules, guide the following decisions:	
When to divert clients from welfare	34.7
What initial program or activity to assign a client	46.3
What subsequent program or activity to assign a client	54.3
When to exempt clients from participation	19.5
When to sanction clients	11.2
When to provide transitional benefits	6.1
Handling of integrated case management role	
Staff who reported that:	
They had proper training to do their work	47.9
Their job functions were clearly described	36.9
All or most of their time:	
Is spent on income maintenance	23.8
Is spent on employment-related tasks	12.3
Is evenly divided	63.9
Assignments to work activities	
Staff recommendations for clients without a high school diploma or GED	
Get a job as quickly as possible	22.4
Get more education or training	75.2
Staff recommendation for clients with a high school diploma or GED	
Get a job as quickly as possible	79.3
Get more education or training	17.9
Monitoring and sanctioning	
Average percentage of clients whom staff report:	
Are contacted each month	63.3
Have been verbally warned about sanctions in the past 6 months	43.3
Were actually sanctioned in the past 6 months	10.0

(continued)

Table 2.2 (continued)

Characteristic	Percentage or Mean
Staff characteristics	
Gender	
Female	78.3
Male	21.7
Race/ethnicity	
Black, non-Hispanic	69.8
White, non-Hispanic	25.4
Hispanic	2.9
Other	1.5
Education	
High school diploma/GED	3.2
Some college	29.7
Technical/2-year college degree	14.6
4-year college degree	34.7
Graduate coursework or degree	16.4
Years employed by the county (average)	12.6
Caseload size (average)	77
Sample size	256

SOURCE: MDRC calculations using data from a staff survey of Cuyahoga County Self-Sufficiency Coaches, administered in April 2000.

performed the calculation automatically during eligibility determination. To the extent that the earned income disregard was intended to encourage clients to *find* work, however, staff confusion may have weakened the message.

One of the most distinctive features of case management in Cuyahoga County was the relatively high degree of discretion that staff had in determining how best to help clients. Coaches were encouraged to understand each case's unique circumstances and — within the bounds of state and county policy — to make their best judgments about the benefits and services to offer. On the staff survey, about one in three coaches said that their personal judgment rather than agency rules guided them on when to divert clients from welfare, and about half reported that they relied on personal judgment to decide what kinds of work activities to assign to their clients. As one coach explained:

> Usually, I ask [clients] what they want from us, what they are looking for. I'll ask them if they graduated from high school, whether they have special training, what their interests are. A lot depends on how desperate they are and what their needs are.

It is worth noting that coaches did not exercise discretion in *all* areas of their work. Only 11 percent, for example, felt that they had much leeway on when to sanction clients, and just 6 percent said that they relied on personal judgment to decide when to provide transitional benefits. Still, Cuyahoga staff tended to have much more flexibility in working with clients than is typical of welfare staff in other cities.[16]

CW&T officials believed that their model of case management was consistent with the agency's goals of becoming more "user friendly" for staff and clients. Many coaches, however, felt anxious about the breadth of their responsibilities and burdened by the sense that clients' fates rested in their hands. On the survey, less than half said that they had proper training to do their work or that their job functions were clearly described. One of the neighborhood family service center administrators summed up the challenge as follows:

> It was a tremendous transition for all of our workers. . . . We had very high stress levels for awhile. [Previously], every worker had only one piece of the pie: Either they were [income maintenance] or JOBS. [After welfare reform], they had to learn the other role. Only now [in April 2000] are staff really getting to the position of knowing what it is they are expected to do. I think workers like the idea of becoming a pivotal force of helping clients get employment. They like the role, the more rounded role. And of course, it is a

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[16] Brock, Nelson, and Reiter, 2002.

> great plus when we see clients get employed. . . . [However], caseloads are still too high to offer intensive counseling.

CW&T administrators acknowledged that some coaches had difficulty with the job. They brought in outside trainers in 1998 to help coaches learn case management techniques, and they developed resource manuals to help staff locate the services available for clients with specific problems and circumstances. Fieldwork in the neighborhood family service centers indicated that case managers used the resource manuals and generally grew more confident in their roles over time.

Diverting Applicants from Cash Assistance

One of the most difficult roles for coaches to perform — requiring a combination of personal judgment, program knowledge, and salesmanship — was welfare diversion. By law, no one could be prevented from applying for cash assistance. At the same time, CW&T administrators made clear that one measure of the agency's success was the number of families that were persuaded not to go on OWF.[17] It is important to note that only OWF applicants were targeted for diversion; there was no deliberate effort to discourage people from applying for food stamps, Medicaid, and subsidized child care. Indeed, the agency's policy was to promote these benefits as alternatives to OWF.

When asked to describe welfare diversion, coaches indicated that they tried to understand the particular reasons why applicants were seeking welfare, and offer up alternatives to cash assistance. One coach described his conversations with applicants as follows:

> Where have you been? How have you been maintaining before you came to this office? Before we talk about opening up cash, I say we have OBES [Ohio Bureau of Employment Services] located in this facility; maybe we can get you back into employment. We explore child support. Have you been to child support? Had paternity been established? Even people who have kids that get SSI [Supplemental Security Income], they may have means so that they don't need OWF. . . . A lot of people say they don't want to do the work requirement. They will say, 'Give me the medical and the food stamps and I am happy.' They may dig down and find other means of support.

Coaches generally scheduled welfare applications over two appointments so that clients would have time to think about whether they really needed cash assistance. Sometimes, applicants chose not to return for a second meeting, in which case the application was denied.

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[17] Cuyahoga County of Ohio, 1999, 2000.

Coaches stressed, however, that they would always complete the OWF eligibility interview once applicants made clear their decision to apply.

In December 1999, Cuyahoga launched its Prevention, Retention, and Contingency (PRC) program to help with diversion and hasten the exit of clients already on welfare. CW&T administrators described the program as flexible short-term or one-time assistance that would prevent dependence on public benefits, help adults maintain or find work, or meet emergency needs that threatened the well-being of adults or children. As one example, they suggested that PRC could be used for car repairs to help a family member get to work. They said that it could also be used to purchase tools or uniforms for a job, to pay rent or utilities during unpaid sick or maternity leave, to repair a broken refrigerator, or to buy winter coats for children. OWF applicants and recipients could receive up to $3,000 in PRC monies in a 12-month period. The income limit was set at 200 percent of poverty level, making it an easier benefit to qualify for than OWF. Importantly, PRC grants did not count toward the 36-month time limit.

At first, PRC seemed to be working as the county intended. Reviewing data on approximately 5,900 diversionary grants issued between October 2000 and March 2001, county staff reported that over 80 percent of the families who received PRC stayed off the OWF rolls for at least six months.[18] While not a perfect measure of diversion — since not all families who received PRC necessarily qualified for OWF — these data suggest that the program was filling an important need and contributing to the county's caseload decline. As word of the PRC program spread, however, staff in the neighborhood family service centers found themselves overwhelmed by the demand for grants. The number of PRC grants issued for diversionary purposes jumped from 858 in December 1999 to 2,679 in September 2000. With this increased demand came spiraling costs; during this same period, monthly expenditures rose from $1.2 million to $3.4 million.[19] As one center manager explained:

> When the message initially went out to the community about PRC, it was like a cash cow. The initial implementation was December 1. It was like Christmas! So working on PRC became the major business that we were in. We are now just digging out of it. It invited a lot of ineligible people to come and apply. Then, those that got denied for PRC made our hearings go sky high.

CW&T administrators realized that they had erred by making PRC eligibility so broad, and they ended up revising the program's policies three times to constrain the issuance of grants. As of April 2001, coaches were required to obtain clear documentation of clients' needs and proof that other sources of support had been explored before they could issue a PRC grant. The funds also had to be tied to a self-sufficiency plan. Staff have continued to use PRC as a diversion tool, but with much less frequency. In September 2001 — the last month for which data were available for this report — about 700 families chose PRC instead of OWF, and monthly expenditures totaled $716,000. [20]

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[18] Cuyahoga County of Ohio, 2001.

[19] Cuyahoga County of Ohio, 2000.

Welfare-to-Work Services

As with diversion from cash assistance, CW&T placed a strong emphasis on clients' work activities as a measure of the agency's success. This became evident starting in fiscal year 1998, when Cuyahoga County pushed many clients to get involved in some type of work activity. At first, the county placed primary emphasis on unpaid work experience or job search. Starting in fiscal year 1999, the county began developing a wider array of services — most operated by private nonprofit organizations under contract with the county — to address the multifaceted problems that clients and staff were facing. These included specialized job search programs targeted to "job-hoppers" (clients who could not hold down a job for any length of time) and people with severe or multiple barriers to employment.[21] As the county developed more specialized services, its expenditures on welfare-to-work activities grew from $13.7 million in 1997/1998 to $18.3 million in 1999/2000 — a 34 percent increase (Figure 2.1). On a per-client basis, the county's average expenditures increased from $588 to over $1,300 during the same period. Note that these figures do not include child care costs — another major work-related expense and a source of growth in the county budget.

In general, CW&T administrators and staff took a broader view of the work requirement than indicated in the federal or state law. The key principle that they tried to enforce was that all welfare recipients who were not already employed should be involved in activities designed to get them employed. For many welfare recipients, that might involve the kinds of job search and short-term training programs that "counted" under federal and state laws; for others, it might be a basic education program or substance abuse treatment, to name two examples. CW&T administrators and staff generally assigned clients to 30 hours of activities as the laws required, but, once again, they placed greater emphasis on making sure that clients were doing *something* rather than verifying that clients met the federal participation requirement every week.

Coaches tended to base decisions about work assignments on two factors: clients' education history and their months left on welfare. As Table 2.2 shows, three-quarters of the coaches recommended that clients who lacked a high school diploma or General Educational Development (GED) certificate obtain more education or training before looking for a job. Conversely, for clients *with* a high school diploma or GED, approximately four out of five

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[20] Cuyahoga County of Ohio, 2001.

[21] Brock, Nelson, and Reiter (2002) provide a detailed breakdown of monthly trends in work activity rates in Cuyahoga County.

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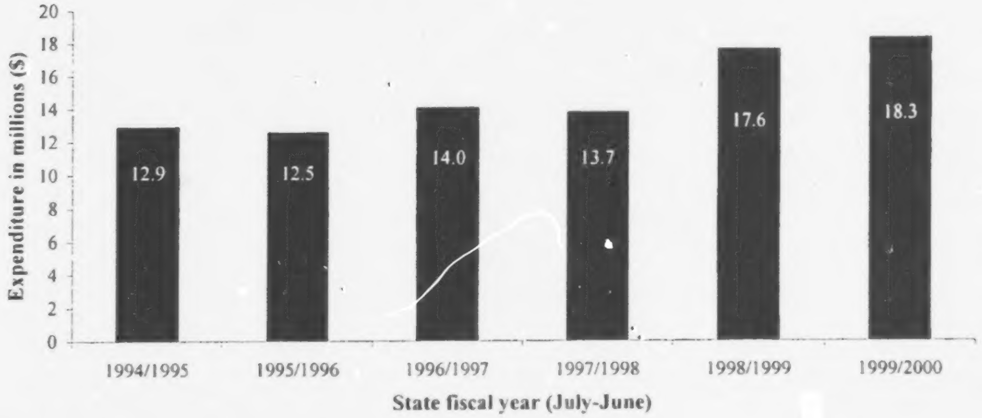
Figure 2.1

Cuyahoga County Expenditures on Work Programs and Services, Excluding Child Care, 1994/1995 - 1999/2000



SOURCE: Cuyahoga County Office of Health and Human Services.

coaches indicated that they pushed them to get a job right away, usually by sending them to a job search class. CW&T did not issue contracts for education services exclusively, but it encouraged a number of providers to combine GED or basic skills instruction with job search or vocational training classes. Many coaches preferred these "mixed" options to strictly job search or work experience programs. As one staff member explained:

> I don't push getting off cash assistance, I push getting a skill. The county may not like that, but that is how I feel. The only time I will push a client to get a job is if they are fighting me about getting training. A lot of my cases are in training programs.

As the 36-month time limit approached, even coaches who were staunch advocates of education and training said that they started pushing job search — particularly when clients had fewer than 12 months left on cash assistance.

Coaches indicated that they monitored their clients' employment and work activities closely. On the staff survey, they reported being in contact with the majority of their clients at least once each month (Table 2.2). If clients were not working or attending an assigned activity, coaches determined whether there was good cause for nonparticipation. Most case managers said that they would eventually sanction clients who did not comply with work requirements but that they would first try to persuade a client to participate and would extend a second chance. As one coach explained:

> Many times the [client's response] is, "I can't do it because of this." What I am telling them . . . is that it is not based on exemption, it is based on success. I try to buy them in; that is what has worked for me. . . . I want to communicate that it is mandatory, but not with a hammer.

Administrative data confirm that sanctioning in Cuyahoga was fairly low: During fiscal years 1998 through 2000, less than 2 percent of adults who were determined to be "mandatory" for work activities were sanctioned in an average month.[22]

Judging from trends in the county's work activity rates from the mid-1990s through 2000, CW&T's efforts to move clients into work activities and employment paid off (Figure 2.2). The trend is seen most dramatically when comparing changes before and after welfare reform. For example, the percentage of adult cash assistance recipients who were working or participating in welfare-to-work program activities increased roughly two and a half times, from 19 percent in fiscal year 1997/1998 to 49 percent in fiscal year 1999/2000. Particularly noteworthy is the sharp increase in the percentage of welfare recipients who were employed while on cash assistance: from 18 percent of all adults on welfare in fiscal year 1997/1998 (when the state's new earned income disregard policy went into effect) to 33 percent in fiscal year 1999/2000.[23]

Clients who left welfare for employment qualified for up to one year of transitional Medicaid and child care assistance. CW&T coaches normally processed these benefits — together with food stamps — for six months, after which time cases were transferred to Cuyahoga Health and Nutrition staff. When former welfare recipients had exhausted their transitional benefits, they could continue to receive food stamps, Medicaid, and child care assistance as long as they met income requirements and other eligibility guidelines.

Procedures and Services Related to Time Limits

As noted earlier, the 36-month time limit was expected to hit the first group of families in October 2000. In the months leading up to the actual cutoff, many coaches expressed some anxiety about the policy and said that it changed the way they worked with clients. As one coach explained:

> Time limits have affected me — knowing that I could be the result of [clients'] failing or not failing. I am more responsible now for how they are going to live. That kind of bothers you in a way. You hope you are doing the best thing, but you can never be completely sure.

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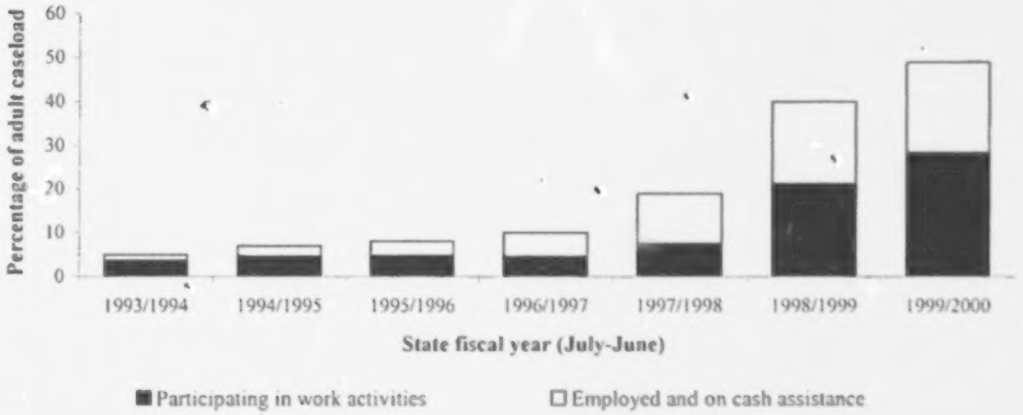
[22] Brock, Nelson, and Reiter, 2002.
[23] Brock, Nelson, and Reiter, 2002.

Figure 2.2

Percentage of Adult Cash Assistance Recipients Employed or Participating in Work Activities in Cuyahoga County, 1993/1994 - 1999/2000



SOURCE: Ohio Department of Job and Family Services.

NOTES: Data were supplied by the state and were not independently verified. MDRC made adjustments to minimize duplicated counts of recipients.

Participation rates capture a broader array of activities than federal guidelines allow and are not limited to participants meeting the 30-hour weekly requirement.

Another coach told an interviewer:

> We are more involved with clients now. I didn't use to do any case maintenance; I just did intake. Now we get to know clients more. We keep reinforcing with them that their checks are going to stop. . . . What I try to reinforce is, yes, you may have 36 months, but that is out of a lifetime. I try every avenue I can to get them to save their months.

Most coaches indicated that they told clients that time limits were to be taken seriously. Even coaches who had their own doubts about whether time limits would be implemented said that they told clients that there were no guarantees that welfare would continue, and they advised clients to prepare for the possibility that their grants might end.

In the spring and summer of 2000, CW&T administrators asked the coaches to conduct in-person interviews with all families at risk of hitting the time limit by the end of the year, in order to better understand their characteristics and circumstances. Staff completed over 4,000 interviews, revealing three categories of families: a group already working and earning enough

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to replace the OWF check (22 percent); a group who appeared "on track" toward finding employment, either because they were making good progress in a job training program or because they were actively looking for work (54 percent); and a group who did not appear to have any viable strategy for replacing OWF income and had significant barriers to employment — the most common barrier being physical or mental health problems experienced by the adult or children on the case (24 percent).[24] Based on this analysis, CW&T staff developed protocols and services to help ensure that clients were prepared and that families and children would not be placed at risk when cash assistance ended.

As a starting point, the county required all families who were within two months of losing their benefits to undergo a pre-time-limit interview. The interview had three main purposes: to make sure that families understood their cash benefits were about to end; to determine whether families had a realistic plan to replace OWF income; and to ensure that families continued to receive noncash benefits for which they were eligible — namely, food stamps, Medicaid, and child care subsidies. Families hitting the time limit could also receive PRC funds to address employment-related expenses or other critical needs. Unlike many other aspects of the coaches' job, the pre-time-limit interview was highly structured. Coaches were given printed interview forms, a list of referral resources, and a set of "talking points" to use with clients who were nearing the time limit. At the end of the interview, clients were required to write their own statement on how they planned to support themselves after their OWF checks ended.

CW&T administrators took the position that employment was the best means of replacing OWF income in nearly all cases. Coaches were instructed to show clients exactly how many hours of work they needed to do at various wage levels to support their families. Clients in need of employment were referred to the "Labor Pool," where job developers worked with them individually to find job openings, or to temporary employment agencies in the private sector. Clients were also encouraged to search the Internet and to peruse the job listings posted inside the neighborhood family service centers.

Recognizing that not all clients would find work through the strategies above, the county created two "last resort" programs. The first was the Transitional Jobs Program, which offered up to six weeks of paid job search assistance followed by three months of subsidized employment for clients who reached the time limit without finding work. During the job search component, participants received minimum wage to attend job-readiness classes and contact employers; once hired, clients earned whatever wage the employer normally provided for the position. The program offered employers a 100 percent subsidy for the first 30 days that clients remained on the payroll and a 75 percent subsidy for the next 60 days. Transitional Jobs Program staff were expected to work closely with clients and employers for six months to make sure that clients stayed on the job, and it was up to them to notify Self-Sufficiency Coaches of any needs for support services or payments, such as PRC grants.

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[24] Booker, 2000.

The second post-time-limit option was Short-Term Transitional Assistance, which was essentially an extension of clients' cash assistance checks for a maximum of six months. This option was limited to four target groups: parents with infants under 12 weeks of age, teenage parents who were attending high school or an approved GED program, parents caring for a physically disabled or mentally ill family member, and parents who were themselves physically disabled or mentally ill or who had a short-term medical crisis.

As a final safeguard, the county instituted a child safety review process to ensure that families were not harmed by the termination of the OWF grant. Child safety review workers conducted home visits with families who did not show up for the pre-time-limit interview or who gave coaches reason to suspect that the family did not have adequate means of financial support. The child safety workers' charge was to discuss family income sources, determine whether children were being adequately cared for, and make referrals to appropriate services. They were also authorized to give out vouchers that families could redeem at local stores for immediate, pressing needs like food or clothing. Child safety workers reported their findings and recommendations to case managers and, as appropriate, to the county's child protective services agency. They were expected to follow up with families within 90 days of the home visit to make sure that any problems had been mitigated and that no new problems had arisen.

To the surprise of some CW&T staff — and, no doubt, of many clients — the county's enforcement of the 36-month time limit was extremely tough. As Figure 2.3 shows, nearly 1,300 cases were closed in October 2000, representing the total number of cases that had received cash assistance without interruption since OWF was implemented. Over 12 months, approximately 4,000 cases were terminated because of time limits. The two "fallback" options — the Transitional Jobs Program and Short-Term Transitional Assistance — were *not* heavily used.[25] From October 2000 through August 2001, only 433 families participated in the Transitional Jobs Program. On average, 155 families received Short-Term Transitional Assistance on a monthly basis. (Recall that families who were approved for Short-Term Transitional Assistance usually received it for a period of three to six months.) Approximately 1,900 families were referred to the child safety review, and close to 90 percent were contacted. The reviews turned up a handful of cases in which families and children seemed to be at serious risk of harm, but, in most cases, child safety workers did not detect major problems.

County administrators' staff admitted to some surprise — and considerable relief — that time limits were enforced without any apparent major problems. When time limits hit, most

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[25] Data in the remainder of this paragraph are based on correspondence with Jim Rohn, Cuyahoga Work and Training, June 20, 2002.

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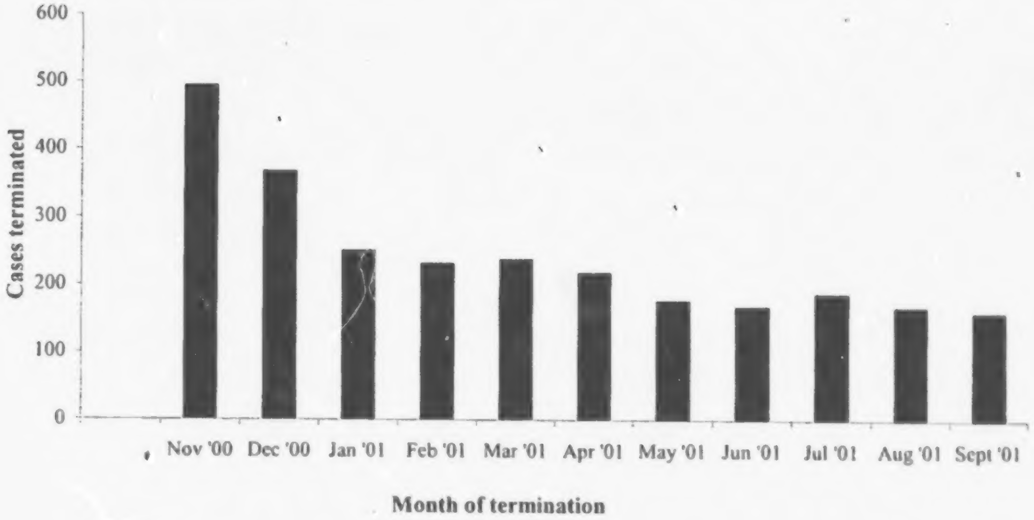
Figure 2.3

Cash Assistance Cases Terminated Because of Time Limits in Cuyahoga County, October 2000 - September 2001



SOURCE: Cuyahoga County of Ohio, 2001.

families either were already working or quickly found work, an outcome that staff attributed to the county's welfare-to-work services and the insistent message concerning time limits. Staff also felt that the benefits offered to low-income working families — namely, food stamps, Medicaid, and child care subsidies — made it possible for many families to get by, even at low wages. Finally, staff credited the child safety review process with ensuring that the time-limit cutoffs did not lead to undue hardship. Just as important, they said that simply knowing that the child safety review existed made them more confident in carrying out time limits and less fearful of negative effects.

Perceptions and Experiences of Former and Ongoing Welfare Recipients

To this point, the chapter has described implementation chiefly from the standpoint of program administrators and staff. This section turns to the people who were the main targets of the county's welfare reform efforts — former and ongoing welfare recipients — to understand their perceptions and experiences. It draws on two independent data sources:

- A survey of nearly 700 randomly selected women who, in May 1995, were single mothers between the ages of 18 and 45, lived in high-poverty neighborhoods, and received cash assistance in Cuyahoga County. These women were interviewed at two points after welfare reform began —in 1998 and in 2001 — to capture changes in their situations and experiences over time.
- Ethnographic interviews with 38 low-income, single-parent families, conducted over three and a half years starting in 1998. At the time of the first interview, all the families who participated in the ethnography received cash assistance, were headed by women, and lived in high-poverty neighborhoods in Cuyahoga County.

The methodologies used for the survey and for the ethnography and the characteristics of both groups of respondents are explained in detail in Chapter 4. For the following discussion, readers should be aware that although all respondents in the two samples received cash assistance at the point they were selected for the study, the majority left welfare over the course of the follow-up period. As a result, survey and ethnographic respondents had varying levels of "exposure" to welfare reform. Nonetheless, as former and ongoing welfare recipients who resided in Cleveland's poorest communities, they offer an important perspective on how welfare policies were communicated and how programs were operated.

Knowledge of Welfare Rules

One of the main topics addressed by both the survey and the ethnography was the level of knowledge women had about several major features of OWF, including time limits and transitional benefits intended to help welfare recipients move into the workforce. A principal duty of the Self-Sufficiency Coach was to make sure that clients understood the new rules and were prepared for time limits. The welfare agency also tried to communicate its policies through public forums, the media, banners in welfare offices, and a variety of printed materials that were handed out or mailed to welfare applicants and recipients. Of course, individuals could pick up information — accurate or not — from a variety of other sources, including relatives, friends, and service providers. Table 2.3 shows the percentages of survey respondents who had a *correct* understanding of several major policies in 1998 and in 2001.

Time limits. If there was a single message that policymakers wanted welfare reform to convey, it was that cash assistance would not continue indefinitely but was limited to several years in a lifetime. On this point, the survey revealed a high level of awareness: More than 90 percent of respondents were aware of the time limit at both the first and the second interviews. The percentage of respondents who could identify the *precise length* of the time limit — 36 months — grew significantly over time, from 59 percent in 1998 to 71 percent in 2001. The

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Table 2.3

Changes in Knowledge of Welfare Rules Among Former and Ongoing Welfare Recipients

	First Interview (1998)	Second Interview (2001)	Difference
Understanding of welfare rules			
Percentage of clients who knew that:			
There is a time limit on cash assistance	93.8	96.6	2.7 *
The time limit on cash assistance is 36 months	59.2	70.8	11.6 ***
They could keep part of their grant even if they got a job	58.7	47.0	-11.8 ***
If they left welfare to work, they would continue getting medical benefits	62.5	76.6	14.2 ***
If they left welfare to work, they would get help paying for child care	56.3	70.1	13.7 ***
If they left welfare for work, they would continue to get food stamps[a]	n/a	63.7	n/a
Sample size	689	689	

SOURCE: MDRC calculations from the Urban Change Respondent Survey.

NOTES: Rounding may cause slight discrepancies in sums and differences.
Statistical significance levels are indicated as * (.05), ** (.01), *** (.001).

[a] This question item was not included in the first interview.

ethnographic study revealed a similar high level of awareness. In fact, during the third round of interviews (in 2000), everyone in the ethnographic sample knew approximately how much time she had left on her time-limit clock, whether she was currently on welfare or not. Respondents who had gone off welfare talked about their remaining time as being "banked" for potential tough times ahead.

As described earlier, Cuyahoga County was very firm in its enforcement of time limits. The ethnographic respondents were well aware of this fact, and many expressed dismay at the county's policy. A number of sample members reported health problems, or had children or other relatives with chronic illness or disability for whom they provided care, and felt that they should receive time-limit extensions.[26] As described earlier, the county offered Short-Term Transitional Assistance to individuals who had documented medical problems that would prevent them from working after hitting the time limit, but the ethnographic interviews suggest that women did not know about this or were told that it was not an option. For example, Wendy, a welfare mother who had sustained a workplace injury to her foot, told an interviewer in 2000:

> According to my caseworker, they have a new policy. It's that no one gets an extension. Now before they said they would be able to keep 5 to 10 percent of their caseloads. Now it's zero. No exceptions.

Indeed, Wendy was an example of a welfare mother who was cut off at 36 months, despite her belief that she should have qualified for an extension.

Earned income disregard. OWF's simplified and expanded earned income disregard policy was intended to provide a financial incentive for welfare recipients to go to work. As noted earlier, many Self-Sufficiency Coaches did not fully understand the policy, although the computer system that they used to calculate benefits automatically figured the disregard for any recipient who reported earnings. Given staff confusion, it follows that clients would be confused as well — and, indeed, this is suggested by the survey. In 1998, 59 percent of the sample said that they knew that welfare recipients could keep part of their earnings if they went to work; in 2001, this figure dropped to 47 percent. The decrease may reflect the fact that most sample members were working by 2001 and had already lost welfare benefits because their earnings were too high. It also seems possible that, between 1998 and 2001, the increasing attention paid to time limits may have "drowned out" any mention of the earned income disregard.

Transitional benefits. The county placed a strong emphasis on publicizing the availability of transitional benefits for clients leaving welfare for work, and the survey suggests that these efforts paid off. In 1998, 56 percent of clients knew that they would get help paying for child care if they left welfare for work; in 2001, this figure increased to 70 percent. Similarly, in 1998, 63 percent of respondents knew that they would continue getting medical benefits; in 2001, the number rose to 77 percent. The 1998 interview did not ask clients whether they could continue to receive food stamps if they left welfare for employment, but 64 percent of respondents at the second interview said that they understood this policy.

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[26] See London, Scott, and Hunter (Forthcoming) for further discussion of women's health and child care concerns.

The ethnographic interviews similarly detected a high awareness of transitional benefits yet also revealed some confusion about the details. Though most respondents knew that food stamps and Medicaid were available to people who worked, many held the mistaken notion that Medicaid and food stamps were time-limited, just like cash assistance. When asked if people who leave welfare and go to work can continue to receive food stamps, Hallie, the mother of one child, remarked:

> It depends if you used up all your months. I guess they give you 36 months, if you use up the whole 36 months, they don't let you have nothing. . . . My caseworker told me that in person, when I went there and had my interview. With me working and being able to get on my feet the way I am, they don't feel that I need [food stamps] any more.

Winnie, another ethnographic respondent, expressed similar confusion. She thought that transitional Medicaid was being cut back, when, in fact, the county tried to promote greater usage:

> It used to be up to a year, but now I heard it's six months, but I guess they only go by if your job is giving you insurance. So far I'm not receiving any insurance [at my job].

These findings suggest that the county's efforts to explain the availability of transitional benefits may have been overshadowed by the message about time-limited cash assistance. It is worth noting that Winnie continued to receive Medicaid and food stamps after she left welfare for work, despite her confusion. Other ethnographic respondents, however, indicated that they skipped eligibility appointments and gave up food stamp and Medicaid benefits for which they apparently qualified — all because of mistaken notions that their income was too high or that they had used up their allotted months.

Prevention, Retention, and Contingency (PRC) grants. Neither the survey nor the ethnography asked specifically about welfare diversion, since all the women in the two samples received cash assistance at baseline. Nonetheless, a question on the 2001 survey revealed that 10 percent of the sample received a PRC grant. In the ethnographic interviews, women had a lot to say about PRC grants and often knew people who received them. At the same time, they tended to be unclear about who was eligible for the funds, how to access them, or what types of situations were covered. Maria, who requested an application for a PRC grant for emergency assistance, gave the following explanation:

> I don't know if you heard about it, that new program they're having now. . . . They called it Retention something. They're trying to keep people off of welfare. Well, I know all kind of people that got it, like to get their cars fixed and stuff. Well, when I asked my new caseworker about it, he asked me, did I use my car with my job. And I said no. And he's like, then you can't get your car fixed with it. So you know, it's messed up, cause the two other people, I know they used it and got their cars fixed. Neither one of them didn't even work!

Many of the ethnographic respondents remarked that they thought their case managers were reluctant to approve PRC funds, and they stated that case managers acted as though "the money was theirs." These comments fit with the accounts of welfare department staff, who described an increasing effort to constrain PRC issuance after an initial surge of payments.

Use of Services and Interactions with Welfare Staff

A second set of topics addressed by the survey and the ethnographic interviews included sample members' interactions with welfare staff, use of work-related services, and experiences with sanctions and time limits. The survey results for these questions are presented in Table 2.4. Unlike the items reported in the previous table, many of these questions were asked only of sample members who were currently on welfare or had been on welfare within 12 months of each interview. This subgroup — 223 cases out of a total sample of 689 — represents women who had the *most contact* with welfare programs and staff after OWF went into effect and who, presumably, had the *most difficulty* finding employment. To avoid confusion with the full sample, the following discussion refers to these women as ongoing recipients.

Interactions with case managers. Perhaps because the case management role involved a mix of responsibilities aimed at "helping" and "enforcing," the survey and ethnographic respondents had mixed feelings about their coaches — though it is fair to say that the enforcement role made a bigger impression. On the 2001 survey, 37 percent of the ongoing recipients felt that welfare staff took the time to get to know them and their situation, and 31 percent felt that staff would help them deal with problems affecting their participation in welfare-to-work activities. By comparison, 59 percent felt that case managers pushed them to get jobs even before they felt ready, and 69 percent agreed with the statement that case managers "just wanted to enforce the rules." Overall, the survey revealed little change in the women's impressions of welfare staff from the first to the second interview, though more respondents reported that case managers urged them to "bank" their months on welfare at the second interview (26 percent) than at the first (18 percent). These findings reinforce other evidence throughout this chapter of the increasing effort made by staff to get clients off cash assistance before time limits hit.

In the ethnographic sample, a few of the women said that they liked their case managers and found them helpful, but most had less favorable views. Despite the county's commitment to creating a "user-friendly" welfare agency, many of the women found their case managers to be condescending, rude, untruthful, unresponsive, or vindictive. Several respondents felt that their case manager did not treat them as an individual or consider their particular circumstances. Interestingly, respondents' opinions of welfare staff tended to differ based on employment status. Those who were employed were more likely to report respectful and kind interactions; those who had not found jobs were more likely to report poor relationships. One respondent specifically said that she saw a noticeable change in her coach's attitude toward her when she found a job, in that the coach became more willing to answer questions and to accommodate her schedule.

Work-related activities. The survey detected a statistically significant increase in ongoing recipients' participation in work-related activities, rising from 45 percent who attended at least one activity in 1998 to 60 percent in 2001 (Table 2.4). This finding is consistent with the county's increased emphasis on preparing such clients for work as the time limit drew nearer. The growth was most heavily concentrated in job club and independent job search, although there was also a modest but statistically significant increase in attendance in basic education programs. In a follow-up question asked during the second interview, the majority of respondents who said that they participated in job club indicated that it was arranged by the welfare department; conversely, the majority of respondents who attended education programs said that they found the activities on their own. Nevertheless, roughly two out of five respondents indicated that their case managers urged them to get education or training to improve their skills.

In the ethnographic interviews, many women said that they felt their case manager encouraged them to seek employment rather than education and that it was not possible to do both. An ethnographic respondent named Marcy reflected this view:

> Well, they are not trying to get people to go back to school and to get trained and stuff like that because, well, you supposed to be cut off, you can't go to school or go to training. It [the time limit] is so close, they don't want you to go to school or training; they want you to get a job.

Marcy's explanation accurately summarized the welfare department's policy in the year leading up to the time limit. Although she would have preferred to work toward a GED or attend a job training program, her case manager sent her to a job club.

By the time the third round of ethnographic interviews was completed in 2000, approximately three-fourths of the sample had participated in some form of employment prepara-

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Table 2.4

Changes in Use of Services and Welfare Experiences Among Ongoing Welfare Recipients

	First Interview (1998)	Second Interview (2001)	Difference
Interactions with welfare staff			
Percentage of clients who report that welfare staff:[a]			
Took the time to get to know them and their situation	40.2	37.4	-2.7
Would help them deal with problems affecting their participation in welfare program activities	35.5	30.8	-4.7
Pushed them to get a job quickly even before they felt ready or a good job came along	51.4	59.2	7.8
Urged them to get education or training to improve their skills	43.8	40.2	-3.7
Just wanted to enforce the rules	64.2	69.3	5.0
Helped them to find or keep a job	20.8	26.4	5.6
Urged them to save up their months of welfare for when they need/needed them the most	17.9	25.7	7.8 *
Work-related activities			
Percentage of clients who, in the last 12 months, attended:			
At least 1 work-related activity	45.3	59.6	14.3 ***
Job club	18.4	32.7	14.3 ***
Independent job search	13.9	34.5	20.6 ***
Unpaid work	12.6	13.0	0.4
On-the-job training	7.2	4.0	-3.1
Vocational training	13.9	11.7	-2.2
Basic education and English as a Second Language	4.9	9.4	4.5 *
College	8.1	4.9	-3.1

(continued)

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Table 2.4 (continued)

	First Interview (1998)	Second Interview (2001)	Difference
Sanctions, disputes, and time limits			
Percentage of clients who said that:			
They were sanctioned in the last 12 months	25.9	29.5	3.6
They had a dispute with the welfare agency in the last 12 months	26.6	30.6	4.1
They were cut off welfare due to time limits[b]	n/a	39.2	n/a
They received an extension after reaching their time limit[b, c]	n/a	16.9	n/a
Sample size	223	223	

SOURCE: MDRC calculations from the Urban Change Respondent Survey.

NOTES: Sample was narrowed to respondents who were currently receiving welfare or had received welfare within 12 months of interview in both 1998 and 2001.

Rounding may cause slight discrepancies in sums and differences.

Statistical significance levels are indicated as * (.05), ** (.01), *** (.001).

[a] Questions were based on a "how much" scale. The scale range from 0 to 10, where 0 meant "not at all" and 10 meant "the most possible." Data presented in this table are based on the percentages of respondents answering between 7 and 10 on each question.

[b] Time limits did not go into effect until October 2000.

[c] Question asked of respondents who said that there is a time limit on how long a person can get cash welfare and also who were currently receiving welfare or had received welfare within 12 months of interview.

tion program sponsored by the welfare department. Respondents' feelings about the programs — and about job club/job search programs in particular — were mixed. Some of the women, like Karen, complained that the activities lacked substance:

> Most of the programs they try to put you in, it's like a waste of time because . . . you [are] sitting up in there and they telling you about what to say at a job interview. How to act, I mean, just about how to sell [your]self. . . . I think it's a waste of time.

Others, like Tanya, indicated that they received valuable help from job club:

> It was a good program. They provide your transportation, and they look for a job for you. I learned how to write a résumé, how to get my references done. I learned everything. And she got me a job, a beautiful job.

Over time, the ethnographic sample members' opinions of employment programs seemed to improve; some, like Tanya, credited the programs with helping them find jobs.

Sanctions, disputes, and time limits. As described earlier, failure to attend required work activities could result in a financial sanction. Starting in October 1997, this meant closure of the entire family's cash grant for at least one month. Earlier this chapter made the point that Cuyahoga County had a low rate of sanctioning: under 2 percent of all cases in an average month. The results in Table 2.4 show that 26 percent and 30 percent of the ongoing recipients said that they had been sanctioned in the year before their 1998 and 2001 interviews, respectively. In interpreting these results, it is important to bear in mind that this subgroup would, by definition, be at higher risk of sanctioning than the average recipient and that the survey captures sanctions imposed *during the past 12 months,* not a single month. The lesson to draw is that although Cuyahoga County's sanctioning policies may have been much easier than policies in other places, many ongoing recipients eventually suffered the consequences of noncompliance with welfare rules.[27]

Like the women in the survey, a number of ethnographic respondents reported that they were sanctioned. Most indicated that they understood the work requirement, but they expressed some confusion about the particular circumstances that would result in sanctioning or how long the sanctions would last. The reasons that they gave for being sanctioned included quitting a job, refusing or being fired from a job, missing meetings with caseworkers, failing to attend job training programs, and failing to provide paperwork to the welfare office. In general, ethnographic respondents tended to regain compliance fairly quickly, though in one instance a respondent said that her sanction remained in effect for a full year.

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[27] A prior report (Polit, London, and Martinez, 2001) notes that women who had substantial barriers to employment were significantly more likely to have been sanctioned than women without such barriers.

As discussed earlier in the chapter, Cuyahoga County began cutting clients off cash assistance because of the 36-month time limit in October 2000. As of the 2001 interview, 39 percent of the ongoing recipients in the survey said that their cash assistance had ended because of time limits. In the ethnographic study, roughly the same proportion of women (16 out of 38) were cut off at the time limit. According to the ethnographic respondents, case managers had given them numerous reminders that the time limit was approaching. Some also indicated that their case managers showed a greater interest in them in the months immediately before the time-limit cutoff, whether by helping them with job information and classes, arranging child care subsidies, or encouraging them to apply for SSI. Nevertheless, their post-time-limit experiences were mixed. Of the 16 ethnographic cases who hit time limits, 8 indicated that they were supporting their families through legitimate employment, and most of the remaining 8 were relying on family members and support networks. Chapters 4 and 5 present a fuller analysis of the employment statuses and economic circumstances of families who hit the time limit.

Summary and Conclusions

Without a doubt, welfare reform resulted in tremendous change in Cuyahoga County's welfare policies and operations. As evidenced in Figure 2.4, however, this change developed over several years. Although OWF had an official start date of October 1997, the "message" of welfare reform — including time limits on cash assistance — was under discussion much sooner. Planning for welfare reform began as early as 1996, and the reorganization of the welfare department took place during 1998. As time limits approached, county administrators and staff placed increasing emphasis on moving welfare recipients into work activities and unsubsidized jobs. They also devoted increased attention to diverting applicants from coming onto cash assistance, though mushrooming costs led to some curtailment of PRC grants. Time limits — the *sine qua non* of welfare reform — went into effect in October 2000. The county's enforcement was firm, and relatively few families participated in the post-time-limit Transitional Jobs Program or received short-term extensions.

The welfare recipients who were interviewed for the study reinforced the impression that welfare was an unfolding process. In general, survey and ethnographic respondents suggested that they gained a better understanding of welfare rules over time. Because the message about time limits was communicated so forcefully, however, other aspects of welfare reform may have been overshadowed, and some families may have come to the mistaken belief that food stamps and Medicaid were also time-limited. Ongoing recipients who stayed on the rolls were more likely to participate in work activities as the years went by — and to feel increasingly "pushed" by welfare staff to get jobs and "bank" their remaining months on welfare.

As data collection for this report drew to a close in 2001, Cuyahoga County's welfare department was still in transition. A state decision to shift a large portion of TANF funds into

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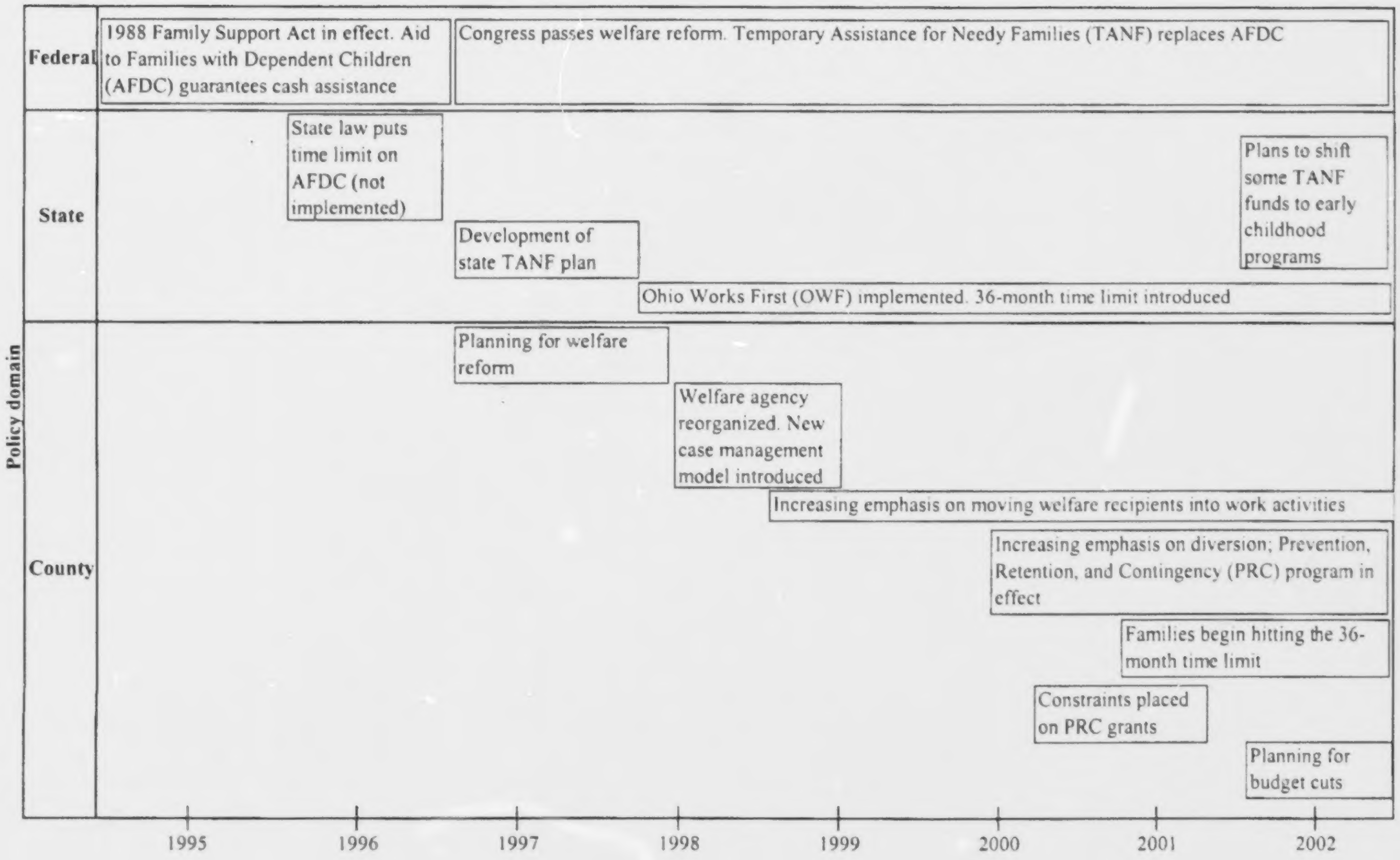
Figure 2.4

Welfare Reform Time Line in Cuyahoga County


Policy domain
Federal
1988 Family Support Act in effect. Aid to Families with Dependent Children (AFDC) guarantees cash assistance
Congress passes welfare reform. Temporary Assistance for Needy Families (TANF) replaces AFDC
State
State law puts time limit on AFDC (not implemented)
Development of state TANF plan
Plans to shift some TANF funds to early childhood programs
Ohio Works First (OWF) implemented. 36-month time limit introduced
County
Planning for welfare reform
Welfare agency reorganized. New case management model introduced
Increasing emphasis on moving welfare recipients into work activities
Increasing emphasis on diversion; Prevention, Retention, and Contingency (PRC) program in effect
Families begin hitting the 36-month time limit
Constraints placed on PRC grants
Planning for budget cuts
1995
1996
1997
1998
1999
2000
2001
2002

early-childhood education programs reduced the county's funding for welfare programs by 25 percent: from $64 million in fiscal year 2001 to $48 million in fiscal year 2002.[28] In response, the welfare agency encouraged hundreds of staff to take early retirement, and it began planning another major reorganization. As of September 2001, welfare-to-work contracts were being curtailed, and the Transitional Jobs Program for post-time-limit recipients was eliminated. Many county administrators and staff expressed frustration and disappointment that the cuts would undo their many accomplishments. As one county official lamented:

> We are feeling cheated. We brought all our best planning knowledge and put together a dynamic, effective network of services. But because of a state decision, we don't have the dollars that I believe Congress intended us to have. . . . Everything we thought was important for the full package, now mostly has been eroded.

It is worth underscoring that the reduction in Cuyahoga County's TANF funding occurred too recently for this report to determine what effects, if any, the cuts will have on the welfare agency and its clients. Rather, this report focuses on what happened during the county's *early* experience with welfare reform — a period marked by a remarkable transformation of policies and services under the most auspicious economic conditions.

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[28] Correspondence with Arnell Hurt, Cuyahoga Work and Training, March 26, 2002.

Chapter 3

Did Welfare Reform Have an Effect? An Investigation Using Administrative Records

Introduction

Proponents of the 1996 federal legislation to reform welfare predicted a dramatic decrease in welfare receipt and a corresponding increase in employment among current and former recipients. Opponents of the legislation conjectured that it would push many people into poverty without a safety net. In short, both proponents and opponents of reform expected extraordinary changes. This chapter explores whether Ohio Works First (OWF) — Cuyahoga County's Temporary Assistance for Needy Families (TANF) program — is likely to have caused such changes.

While welfare caseloads have declined dramatically in Cuyahoga County (see Figure 1.3 in Chapter 1), this decline began before the implementation of OWF. There are a number of potential explanations for the decline. The growing economy possibly made it easier for current recipients and those at risk of receiving welfare to find relatively high-paying jobs. The expansion of the federal Earned Income Credit (EIC) may have encouraged many to leave welfare for work or to go to work instead of applying for welfare.[1] The aging of the population may have resulted in fewer families with children under the age of 18. Further, declines in out-of-wedlock childbearing may have resulted in fewer families' being eligible for cash assistance.[2] Finally, as described in Chapter 2, Cuyahoga County's welfare policies were changed even in the early 1990s, before the implementation of OWF.

These possibilities present difficulties for understanding the effects of OWF. Each of the factors would be expected to reduce caseloads, and all were present both before and after OWF was implemented.[3] For example, the economy grew from the early 1990s until the end of the decade, and it therefore might have been a factor in caseload declines both before and after the implementation of OWF. The purpose of this chapter is to examine whether the changes that occurred after 1996 are larger than would have been expected in the absence of OWF.

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[1] Meyer and Rosenbaum, 2001.

[2] Sawhill, 2001.

[3] A strong economy increases the demand for workers in the short term, and a sustained, strong economy increases the demand for lower-skilled workers, resulting in higher employment at all skill levels. Declining caseloads suggest that people are leaving the welfare rolls faster than new applicants enroll. While a decline in welfare receipt is a goal of OWF, the decline in caseloads before 1996 is surely a result of some other factor(s).

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To explore the likely effects of OWF, this chapter compares outcomes for different groups of people over time. Some received cash assistance several years before OWF was implemented, while others began receiving cash assistance after the new program began. If behavior for the later groups differed markedly from what would have been expected based on behavior of the earlier groups, this suggests that OWF had an effect.[4] For example, if OWF were responsible for the decrease in caseloads after 1996, then people should have left welfare faster than expected after OWF was implemented and/or fewer people than expected should have begun receiving welfare. Determining what would have been expected in the absence of welfare reform is one key aspect of the analysis.[5]

Although there are many dimensions to welfare reform, this chapter focuses on three: (1) whether OWF encouraged recipients to leave cash assistance sooner, (2) whether OWF deterred potential recipients from receiving cash assistance, and (3) whether OWF increased employment and employment stability. These outcomes (described in detail below) represent some of the express goals of welfare reform. Further, the employment outcomes are of particular interest, as they underscore the ability of recipients to support themselves and their families with work. This has become increasingly important because of federal lifetime limits on cash assistance receipt.

The following analyses include data up to the end of 2000 — just as families began reaching OWF's 36-month time limit. Therefore, the analyses primarily concern the period before families encountered the time limit. Although it is possible that time limits had indirect effects by encouraging parents to put greater effort into finding work or to leave welfare in order to preserve their eligibility for benefits at a later time, the direct effects of the time limit are not examined.

Summary of Findings

The behavior of welfare recipients in Cuyahoga County has changed considerably over time. Welfare recipients in 2000 left the rolls faster than welfare recipients in 1993; more welfare recipients went to work in 2000 than in 1993; and fewer people came onto the welfare rolls at the end of the decade than in 1993. However, all these changes began before the implementation of OWF.

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[4] Michalopoulos, Bos, Lalonde, and Verma (2000) present a detailed discussion and evaluation of this method, which is called "multiple cohort design."

[5] The gold standard for determining the effects of a new policy is to randomly assign people to either a program group, which is subject to the rules of the new policy (in this case, OWF), or a control group, which is subject to the old policy (AFDC). In a random assignment study, outcomes for the control group represent what would have happened in the absence of the new policy. Unfortunately, a random assignment study of OWF was not practical because the reforms were so well publicized that they might have influenced the behavior of control group members.

OWF appears to have markedly increased the rate at which long-term welfare recipients leave the rolls, but it has had only small effects for new welfare recipients. New welfare recipients may have been able to leave welfare and find jobs on their own during this period of strong economic growth. In contrast, job search assistance, increased sanctioning, and the anticipation of time limits may have been felt more by long-term recipients.

OWF appears to have reduced the number of food stamp recipients who began receiving cash assistance, perhaps suggesting that Cuyahoga County's diversion strategy was successful. At the same time, OWF had little overall effect on rates of recidivism or the number of people coming onto welfare for the first time.

Welfare recipients were more likely to go to work after OWF was implemented than before, but the increase may reflect other factors more than welfare policy. In addition, there is little evidence that OWF affected the number of people who combined work and welfare; most new welfare recipients left welfare too quickly to work while receiving benefits.

The Expected Effects of Ohio Works First

OWF might have affected behavior in several ways before families encountered the program's time limit. The mandatory employment-focused welfare-to-work program should have helped people move to work and get off welfare faster.[6] The time limit on cash assistance should also have encouraged some people to leave welfare sooner — especially families with young children.[7] The enhanced earnings disregard might have encouraged welfare recipients to work, but it also would have allowed more of them to stay on welfare.[8] The Prevention, Retention, and Contingency (PRC) program should have provided an alternative to cash assistance for some families. In short, most of the components of OWF should have encouraged welfare recipients to leave the rolls and find work faster, and they should have discouraged those at risk of receiving welfare from coming onto the rolls. However, the enhanced earnings disregard might have reduced or reversed the effects on welfare receipt by allowing people to continue receiving welfare when they worked.

Several recent random assignment studies provide useful information on the expected effects of enhanced earnings disregards combined with time limits and mandatory welfare-to-work services.[9] In particular, new programs in Florida, Connecticut, and Minnesota offered more generous earnings disregards than previously available under AFDC, and they required recipients to work or obtain short-term training. In Florida and Connecticut, the new programs also imposed time limits on welfare receipt.

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[6] Hamilton et al., 2001.
[7] Grogger and Michalopoulos, 1999.
[8] Moffitt, 1992.
[9] Bloom and Michalopoulos, 2001.

In the Florida study, welfare recipients and applicants in Escambia County (Pensacola) were assigned at random either to a new program called the Family Transition Program (FTP) or to AFDC.[10] FTP limited families to either 24 or 36 months of welfare, required those who were considered job-ready to look for work, and provided a more generous earnings disregard than AFDC. In the period before any parent could hit the time limit, FTP neither increased nor decreased welfare use. In other words, families in the new program were just as likely to receive welfare as their counterparts in the control (AFDC) group.

Connecticut's TANF program, called Jobs First, was also studied using random assignment in New Haven and Manchester.[11] Jobs First limited families to 21 months of welfare (although families could receive extensions if parents were not earning much), required welfare recipients to look for work, and allowed welfare recipients who worked to keep their entire welfare check and food stamp benefit. In the period before any families could hit the time limit, Jobs First substantially increased welfare use.

The Minnesota study sheds light on why TANF-like reforms might have little effect on cash assistance use or might even increase its use.[12] The Minnesota Family Investment Program (MFIP) did not have a time limit on welfare receipt, but its other policies were similar to those of FTP and Jobs First. In particular, the program's enhanced earnings disregard allowed people to stay on welfare with earnings up to 140 percent of the federal poverty threshold. Many families who went to work under MFIP were consequently able to continue receiving cash assistance, while many of their control group counterparts who went to work under AFDC lost their eligibility for benefits. As a result, more families received cash assistance under MFIP than under AFDC.

The random assignment studies suggest that work requirements, time limits, and earnings disregards may offset each other, resulting in little consistent change in recipients' leaving welfare and perhaps encouraging people to stay on welfare longer. It is important to note that these findings are for the period before recipients hit time limits and, as a result, only partly reflect these programs' effects. Further, while the random assignment results shed light on welfare exits, they do not provide insights into reasons for welfare entry.

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[10] Bloom et al., 2000.
[11] Bloom et al., 2002.
[12] Miller et al., 2000.

Data and Outcomes

Administrative public assistance records from Cuyahoga County's Income Maintenance Files (IMF) are used in the analysis for this chapter. The public assistance data report monthly estimated payments and eligibility status for 536,256 recipients — the universe of all people (adults and children) who ever received Medicaid or food stamps from July 1992 through December 2000.[13] The data consist of information on Medicaid eligibility and food stamps and AFDC/TANF eligibility and payments. In addition, earnings data from unemployment insurance (UI) records from 1992 to 2000 are used in the analysis of employment. Because work requirements, time limits, and other OWF policies apply to cases headed by adults and because of the growth in importance of child-only cases during the 1990s, the analysis in this chapter is limited to adults.[14]

Although administrative data contain accurate information, they have several limitations. First, they are limited to activity in the State of Ohio. If recipients move away from Ohio to live in another state — where they may continue to receive public assistance or work — they will be counted in Ohio as though they stopped such benefit receipt or employment. Second, the UI data systematically undercount employment and earnings, because records are not available for jobs that are not covered by the UI system. Such uncovered employment includes self-employment, domestic service, informal child care, and work that may have been "off the books" or for employers who do not report earnings. In addition, UI records report earnings by calendar quarter and, therefore, can provide only rough measures of employment duration and stability by month. For instance, people who began working or changed jobs during a calendar quarter probably experienced weeks of joblessness during the quarter, which UI records do not capture. Further, when using UI records to track trends in earnings over time, one cannot distinguish among several changes in job characteristics (for example, number of hours or weeks of work or hourly wages) that may have affected quarterly earnings.

From the range of issues that might be addressed in this analysis, this chapter focuses on the following questions:

- Did OWF cause people to leave welfare faster?
- Did OWF cause fewer people to begin receiving welfare or to return to welfare once they had left?
- Did OWF encourage greater employment, and did it result in stable employment?

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[13] Because recipients of AFDC and TANF are categorically eligible for Medicaid, the universe of people receiving Medicaid includes all people who received cash assistance.

[14] Table A.1 provides descriptive statistics of the sample.

Did OWF Alter the Likelihood That Someone Received Cash Assistance?

Chapter 1 reviewed a well-known fact: Between 1992 and 2000, welfare caseloads in Cuyahoga County declined by more than half. As discussed above, many factors might have influenced this decline. How much of this change was OWF responsible for? While it is impossible to answer this question definitively, this section presents a range of estimates of the effects of OWF on caseloads.

The analysis in this section separates caseload reductions into two parts: welfare exits and welfare entry. The separation of exits and entry is done for two reasons. First, different components of OWF were designed to have different effects. For example, the mandatory job search services were intended primarily to help people leave welfare, while the diversion strategy was intended to help people stay off the rolls. Second, it has been argued that increased exits and reduced entry have different implications for how the caseload changes over time.[15]

Did OWF Encourage New Welfare Recipients to Leave the Rolls Faster?

To understand how the effects of OWF are inferred in this chapter, consider Figure 3.1, which is the first in a sequence of similar figures. Each dot on the figure represents an outcome for a group of new adult welfare recipients. For example, the dot at the far left of the diagram is labeled January 1993 and represents the outcome for a group of adults who began receiving welfare in January 1993. The dot at the far right of the diagram represents an outcome for a group of adults who began receiving welfare in December 1999.[16] The shaded area represents the period when OWF reforms may have first affected behavior in Cuyahoga County.[17] The vertical line represents October 1997, the official implementation period of OWF.[18] Dots to the

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[15] Klerman and Haider, 2001.

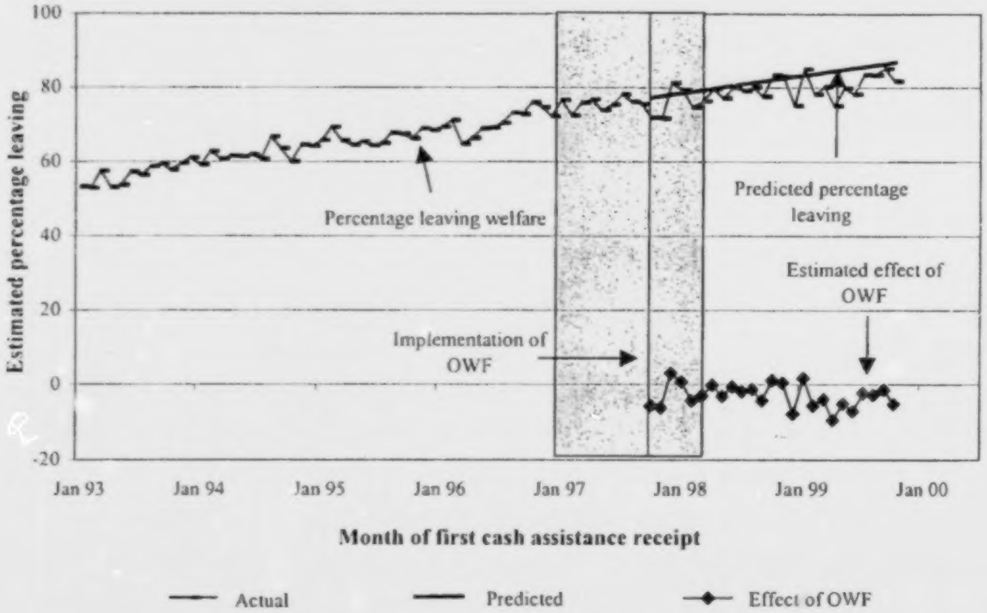
[16] Because the data extend back only to July 1992, there is no way to know whether someone received benefits before then. The groups of "new" adult welfare recipients, as they are defined here, may contain many people who had received benefits before July 1992 but who had not received benefits between July 1992 and the month when they began receiving benefits anew. Later groups of "new" welfare recipients are likely to contain fewer relatively recent welfare recipients and more truly new recipients. Since prior history of benefit receipt for the 1992 monthly groups is unavailable and the 1992 monthly groups differ in characteristics from the remaining groups (that is, the average size of these groups is much larger, indicating that many recipients may, in fact, have started earlier), these groups are omitted from the remainder of the analysis.

[17] Recall from Chapter 2 that OWF reforms in Cuyahoga County were widely advertised and were implemented gradually. The shaded area extends from January 1997 (to reflect such advertising) to March 1998 (to reflect the gradual implementation).

[18] The TANF block grant was signed into law in August 1996, while OWF was implemented in October 1997. Despite this late date of implementation, some changes in program requirements had been implemented earlier, while other potential changes were widely covered by the news media, as discussed in Chapter 2. As a result of this wide window of opportunity for recipients and potential recipients to change their behavior, the analysis was repeated for a range of dates to proxy for welfare reform in Cuyahoga County.

Figure 3.1

Percentage of New Welfare Recipients Leaving the Rolls Within a Year



SOURCE: MDRC calculations using Cuyahoga County's Income Maintenance Files.

NOTES: Sample is limited to adults.

Estimates were regression-adjusted using ordinary least-squares, controlling for demographic characteristics of recipients.

The shaded area represents the time span over which Ohio Works First (OWF) policies may have affected behavior, as the policies were well advertised prior to being signed into law and were gradually implemented over time. The area extends from January 1997 to March 1998. The middle vertical line represents the implementation of OWF, Cuyahoga County's TANF program, in October 1997.

"Predicted percentage leaving" and "Estimated effect of OWF" are based on the linear model for the pre-reform trend. See text for details.

right of the shaded area represent people who first began receiving welfare after OWF was implemented, while dots to the left of the shaded area represent people who began receiving welfare before OWF was implemented; dots within the shaded area represent people who began receiving welfare shortly before or while OWF was first being implemented.

The outcome represented in Figure 3.1 is the percentage of new adult welfare recipients who left welfare within a year of first receiving benefits.[19] For example, the left-most dot indicates that about 53 percent of adults who began receiving welfare in Cuyahoga County in January 1993 had stopped receiving welfare by January 1994, one year later. The figure consequently provides information on whether the length of stay on cash assistance changed over time and whether that change seemed related at all to OWF's reforms.[20]

Figure 3.1 shows a clear trend: Later groups left welfare faster than earlier groups. For example, the right-most dot indicates that more than 80 percent of people who began receiving welfare in December 1999 had stopped receiving benefits within a year (that is, by December 2000), compared with the 53 percent of the January 1993 group mentioned above. This is consistent with the dramatic reduction in the welfare caseloads during the 1990s.

Did OWF cause some, or all, of this trend? To address this issue requires a *counterfactual,* which is an estimate of what would have happened after 1997 if OWF had not been passed or implemented. In a random assignment study, the counterfactual is inferred from what the control group does, and the effect of an intervention is measured as the difference between outcomes for the program and control groups. Likewise, once the counterfactual is identified here, the effect of OWF is inferred from the difference between what actually happened and what the counterfactual indicated would have happened without OWF.[21]

One possible scenario is that the upward trend evident in Figure 3.1 before OWF would have continued through the remainder of the period. This is a reasonable premise, because economic growth after 1997 was sustained and consistent. In addition, other analyses of the effects of TANF indicate that the economy was responsible for a large chunk of national caseload reductions after 1997.[22]

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[19] To make sure that the conclusions implied by this analysis are not particular to the choice of using a one-year spell length, the analysis was repeated by looking at the percentage of new welfare recipients who left the rolls within three months and the percentage who left the rolls within six months.

[20] There are 102 groups of individuals who started receiving cash assistance during the period from July 1992 to December 2000. Table A.2 presents the number of individuals in each annual group of new entrants.

[21] The identification of a counterfactual involves adequately fitting the pre-reform trend line, which is not a straightforward exercise. In particular, it involves assumptions about what would have happened in the absence of the policy change. The analysis in this chapter assumes that trends that occurred before 1997 would have continued if OWF had never been implemented. This might be a reasonable assumption in light of the relatively short time that the counterfactual is predicted, the fact that the economy continued to grow throughout the 1990s, and the absence of other major policy changes late in the decade. Nevertheless, it is an assumption, and the accuracy of the conclusions drawn from this analysis are only as good as that assumption.

Even if the notion of an ongoing trend is accepted, the pre-OWF trend could take many forms. It could be a straight line, resulting in a *linear* counterfactual, which implies that the change from month to month in, say, 2000 would have been the same in the absence of OWF as the change from month to month was, on average, in the period preceding the implementation of OWF. A linear counterfactual might be plausible in light of the fact that the economy was strong and growing before 1997 and continued to be strong and growing between 1997 and 2000.

It is also possible that that the pre-reform trend is not a straight line, which means that change from one month to the next in the pre-OWF period was getting larger or smaller over time.[23] This might occur if the factors causing changes before OWF (the economy, the expanded EIC, and so on) had more (or less) effect in subsequent years. For example, the effects of the early 1990s expansion of the EIC might have been fully realized by 1996, making changes that occurred later than 1996 smaller. A nonlinear counterfactual might also be appropriate if the outcome had reached such a high level that it could not be expected to continue. In Figure 3.1, for example, it would be unreasonable to expect the proportion of new recipients leaving welfare to continue to increase if the proportion were already close to 100 percent.

Regardless of the form the trend takes, the effect of OWF is estimated as the difference between what actually happened in Cuyahoga County after 1997 and the predicted counterfactual. Determining the most likely shape of the pre-OWF trend — and, therefore, the most likely counterfactual — is key to interpreting the effect of welfare reform. The most plausible estimate is provided by the scenario that best fits the pre-reform data.[24]

With regard to the outcome shown in Figure 3.1, a linear counterfactual fit best and is shown by the straight line extending from October 1997 until the end of the period. The effect of OWF is estimated as the difference between what actually happened (that is, the proportion of new welfare recipients who left the rolls within a year) and the linear counterfactual. These differences are illustrated in the figure as the points in the lower right corner. The points are fairly close to the zero line, indicating that the predicted outcomes and the actual outcomes are very similar.

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[22] Blank and Schoeni, 2000.

[23] See Bloom (2001) for a detailed discussion of the methodology under nonlinearity.

[24] Several steps were involved in finding the best scenario. First, a linear trend was compared statistically with a quadratic trend to determine whether the trend was nonlinear. If the statistics rejected the hypothesis that the trend was linear, then the trend was taken to be semilogarithmic. That is, the natural logarithm of the outcome was presumed to change linearly with time. A semilogarithmic rather than a quadratic trend was presumed because the quadratic trend forces the counterfactual to change direction at some point, and this seemed implausible for most outcomes.

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The upper panel of Table 3.1 presents the estimated effect of OWF reforms on exits by new welfare recipients for three different periods of time: three months, six months, and a year after first receiving benefits. For each outcome, results are shown for the best-fitting trend, either linear or nonlinear. For all three periods, the estimated effects of OWF on welfare exits are fairly small though statistically significant, implying that OWF is likely to have had a small effect.[25] For example, the third row of the upper panel shows the results for the probability of leaving welfare within a year of first starting — the outcome displayed in Figure 3.1. It implies that OWF decreased the rate at which people left the rolls, by 2.91 percentage points.[26] This is a quite modest effect compared with the most effective welfare-to-work programs studied using random assignment. For example, the Portland, Oregon, Job Opportunities and Basic Skills Training (JOBS) program that was studied in the National Evaluation of Welfare-to-Work Strategies (NEWWS) reduced welfare receipt by 8.3 percentage points in the first year after people entered the study,[27] and the very successful Greater Avenues for Independence (GAIN) program in Riverside County, California, reduced welfare receipt by 7.2 percentage points in the year after people entered the study.[28]

It may seem hard to believe that mandatory job search and the threat of time limits did not encourage more new welfare recipients to leave the rolls. However, this result is consistent with results from the study of Florida's Family Transition Program (FTP) that were described earlier. In FTP, the enhanced earnings disregard allowed some people to stay on welfare when they went to work, and the program did not affect welfare receipt until families reached its time limit. In other words, FTP encouraged some people to leave the rolls, but it encouraged or allowed others to stay on the rolls for a while. Likewise, the Portland and Riverside programs mentioned above did not have enhanced earnings disregards, and this may explain why they had larger effects on welfare receipt than did OWF. If this explains why OWF did not encourage new welfare recipients to leave the rolls faster, OWF should have increased the likelihood that new welfare recipients combined work and welfare. This issue is briefly addressed later, when the chapter describes the program's estimated effects on employment.

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[25] Table A.3 presents exit rates for this analysis and for analyses published in the literature. The table reveals that this study's estimates are similar to published estimates using various data sources and covering various time periods.

[26] The effect of OWF is calculated as the average of the deviations from the predicted post-reform trend (that is, the average difference between the actual outcome and the predicted outcome).

[27] Hamilton et al., 2001.

[28] Riccio, Friedlander, and Freedman, 1994.

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Table 3.1

Estimated Effect of OWF Reforms on Recipients' Leaving Cash Assistance Within a Specified Period of Time

	Best Estimate of Effect of OWF
Leaving welfare	
Percentage of recipients leaving welfare in:	
3 months	-6.97 ***
	[-4.21]
6 months	-6.53 ***
	[-4.40]
12 months	-2.91 ***
	[-3.70]
Long-term recipients leaving welfare	
Percentage of long-term recipients leaving welfare in:	
3 months	11.72 ***
	[3.75]
6 months	13.92 ***
	[3.72]
12 months	13.88 ***
	[4.13]

SOURCES: MDRC calculations using Cuyahoga County Income Maintenance Files and unemployment insurance records.

NOTES: Sample is limited to adults. Estimates were regression-adjusted using ordinary least squares, controlling for demographic characteristics of recipients. See Table A.2 for sample sizes of first-stage regressions.

The estimated effect of TANF is the average post-reform difference from the best estimated pre-reform trend. See text for more information.

A "long-term recipient" is defined as receiving cash assistance in 18 out of 24 months from the start of first cash assistance receipt. The probability that long-term recipients leave cash assistance is calculated as the proportion that leaves within a specified period of time after the base period of 24 months.

T-statistics are listed in brackets. Statistical significance levels are indicated as: * = 5 percent; ** = 1 percent; and *** = 0.1 percent.

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Did OWF Encourage Long-Term Recipients to Leave Cash Assistance Faster?

As the results discussed above indicate, new welfare recipients are likely to leave welfare quickly. Perhaps OWF had little effect on their behavior because many would have left welfare anyway, reflecting their ability to find jobs during the economic boon. Perhaps OWF had little effect on them because many left welfare too quickly to be exposed to its policies or because — never having been exposed to welfare policy before — they did not realize that the policy had changed.

This section focuses on a group of people who were more likely to have been exposed to OWF policies and less likely to have left welfare for work on their own: long-term welfare recipients. Long-term recipients might have faced barriers that prevented them from leaving welfare until they received assistance through the new program. Because they had received welfare for a long time, they might have been more aware of the change in message and culture at the welfare office. For these and other reasons, welfare reform's effects for long-term recipients are expected to be larger than the effects for new welfare recipients.

Figure 3.2 shows the proportion of long-term adult recipients who left welfare within three months of becoming a long-term recipient. In this case, a long-term recipient is defined as an adult who received cash assistance for 18 of the first 24 months after first receiving benefits. For example, the dot at the far left of the diagram is labeled January 1995 and represents the outcome for a adults who began receiving welfare in February 1993 and received benefits for at least 18 of the 24 months from February 1993 through January 1995. In this case, it indicates that nearly 30 percent of this group left welfare within the next three months, that is, between February and April 1995. The dot at the far right of the diagram represents September 2000 and shows the same outcome for people who began receiving welfare in October 1998 and received welfare for 18 of the 24 months through September 2000.[29]

Figure 3.2 shows that welfare exits for long-term recipients were fairly steady for most of the period before 1997. For example, the proportion of long-term adult recipients who left welfare within three months varied roughly between 20 percent and 30 percent from the beginning of 1995 until the summer of 1997. The counterfactual, therefore, indicates that the proportion of long-term recipients leaving welfare would have stayed fairly steady over time in the absence of OWF. The heavy, near-horizontal line on the right-hand side of Figure 3.2 shows this counterfactual.

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[29] There are 69 groups of people who became long-term cash assistance recipients from January 1995 to September 2000. Table A.2 shows the number of recipients in each annual group.

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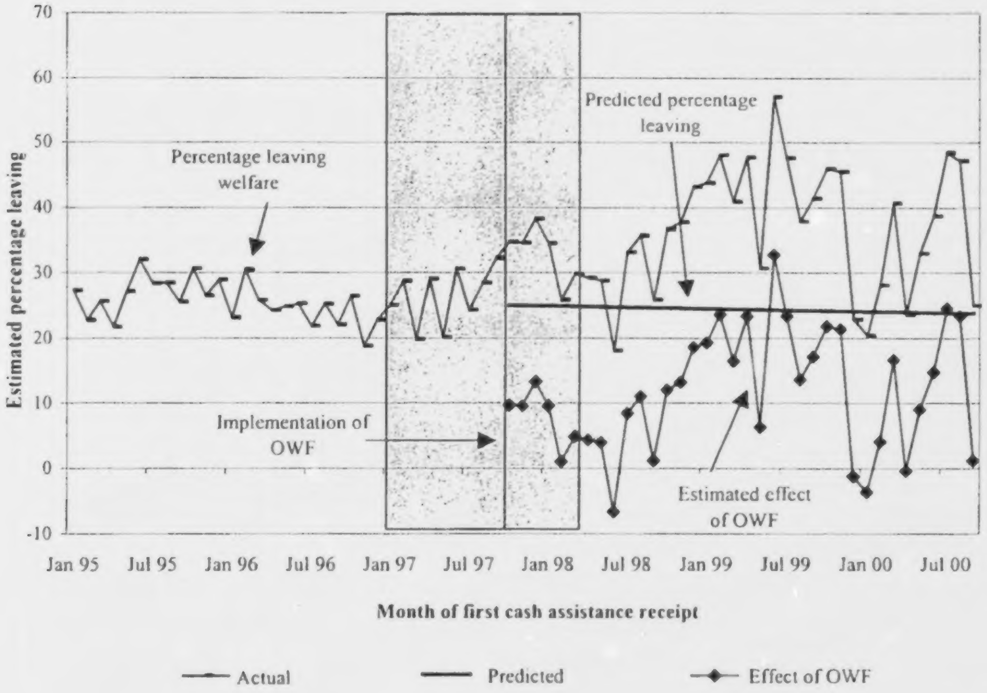
Figure 3.2

Percentage of Long-Term Recipients Leaving AFDC/TANF Within Three Months



SOURCE: MDRC calculations using Cuyahoga County's Income Maintenance Files.

NOTES: Estimates were regression-adjusted using ordinary least-squares, controlling for demographic characteristics of recipients.

A "long-term recipient" is defined as receiving cash assistance in 18 out of 24 months from the start of first cash assistance receipt. The percentage of long-term recipients who leave cash assistance is calculated as the proportion that leaves within a specified period of time after the base period of 24 months.

The shaded area represents the time span over which Ohio Works First (OWF) policies may have affected behavior, as the policies were well advertised prior to being signed into law and were gradually implemented over time. The area extends from January 1997 to March 1998. The middle vertical line represents the implementation of OWF, Cuyahoga County's TANF program, in October 1997.

"Predicted percentage leaving" and "Estimated effect of OWF" are based on the semilogarithmic model for the pre-reform trend. See text for details.

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In reality, the rate at which long-term welfare recipients left the rolls increased markedly after 1997. In particular, for most groups of adults who became long-term recipients between the middle of 1998 and the middle of 2000, between 30 percent and 60 percent had left welfare within three months. Although Figure 3.2 shows substantial fluctuation from cohort to cohort, it implies that OWF resulted in a substantial number of long-term welfare recipients leaving the rolls.

The lower panel of Table 3.1 shows the estimated effect of OWF for long-term recipients leaving within different time spans following the 24-month base period. The first row implies that OWF increased the likelihood that long-term adult recipients would leave welfare within three months (following the 24-month base period) by nearly 12 percentage points — a statistically significant result. Likewise, the results imply that OWF increased the number of long-term recipients leaving within six months or a year by nearly 14 percentage points.

Overall the results provide evidence that OWF had substantial effects on the behavior of long-term welfare recipients. Whether through the help of job search assistance, the threat of time limits, or the force of sanctions, long-term recipients left the rolls much more quickly after OWF was implemented than would have been reasonably expected.[30] This is consistent with findings presented in Chapter 2, which indicate that staff placed increasing emphasis on efforts to move clients off welfare after they had used up 24 months of cash assistance.

Did People Who Were Most Likely to Come onto the Welfare Rolls Do So Less Frequently After OWF?

Welfare caseloads can decline because people leave welfare faster, or they can decline because fewer people come onto the rolls in the first place. The previous section indicated that OWF helped or encouraged long-term welfare recipients to leave the rolls faster. This section explores whether OWF also resulted in fewer people coming onto the rolls. The question is addressed three ways: (1) Did OWF reduce the number of people receiving welfare for the first time? (2) Did OWF reduce the number of people returning to welfare? (3) Did OWF result in fewer food stamp recipients beginning to receive cash assistance?

New entrants. For each month from January 1993 through December 2000, Figure 3.3 shows the number of adults who began receiving cash assistance for the first time since July 1992. For example, the left-most dot indicates that 1,120 adults first received cash assistance in

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[30] Alternative specifications involved eliminating the July 1997 through September 1997 groups (groups that began near the implementation of OWF) and eliminating the January 1997 through September 1997 groups (groups that overlapped with welfare reform — that is, groups that fall within the shaded area). These specifications produced findings that are consistent with those reported.

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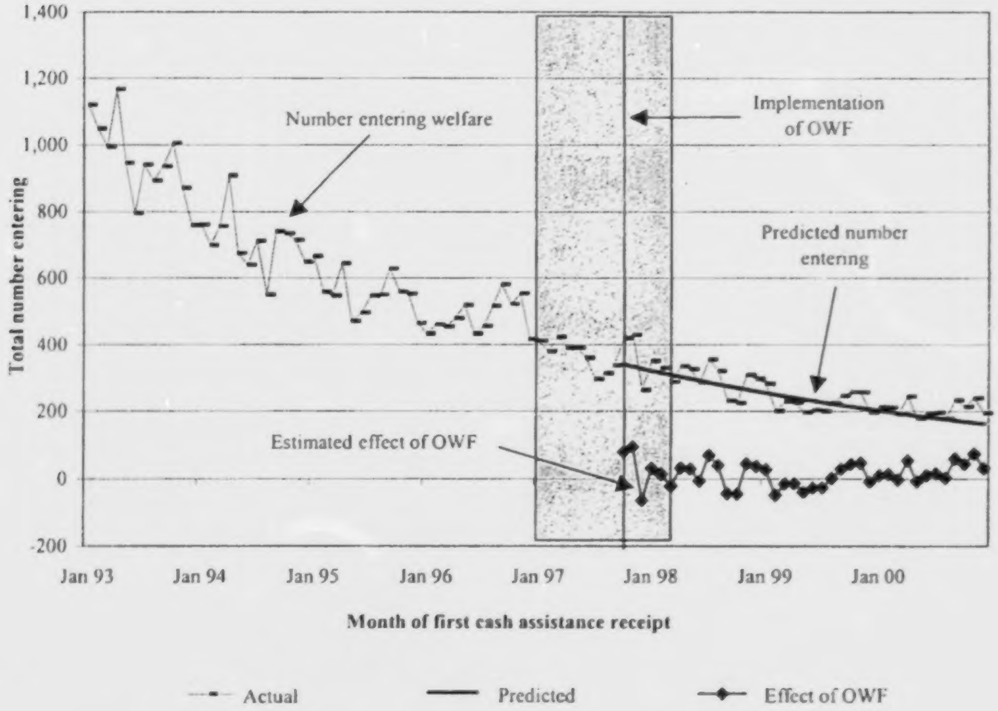
Figure 3.3

Number of New People Entering Welfare Each Month



SOURCE: MDRC calculations using Cuyahoga County's Income Maintenance Files.

NOTES: Sample is limited to adults.

Estimates were regression-adjusted using ordinary least-squares, controlling for demographic characteristics of recipients.

The shaded area represents the time span over which Ohio Works First (OWF) policies may have affected behavior, as the policies were well advertised prior to being signed into law and were gradually implemented over time. The area extends from January 1997 to March 1998. The middle vertical line represents the implementation of OWF, Cuyahoga County's TANF program, in October 1997.

"Predicted number entering" and "Estimated effect of OWF" are calculated using a semilogarithmic trend for the pre-reform period. See text for details.

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January 1993, while the right-most dot indicates that 194 adults began receiving cash assistance in December 2000.[31]

Before the implementation of OWF, the number of people coming onto welfare declined over time, and the counterfactual (the heavy solid line) indicates that this decline would have continued, though at a slower rate. The actual number of new welfare recipients also declined over time and was very close to the predicted number. This implies that OWF had little effect on the number of new adults receiving welfare. The small effect of OWF on the number of adults beginning new welfare spells in a month is verified by the first row of the upper panel in Table 3.2. According to this result, OWF did not result in a statistically significant change in the number of new adult welfare recipients.

Recidivism. Figure 3.4 shows similar results for the number of adults who returned to welfare after being off the rolls for two months.[32] For example, the left-most dot indicates that, among adults who stopped receiving cash assistance in March 1993 (and therefore became at risk of returning to welfare in April 1993), 13.3 percent returned to the rolls within six months of leaving the rolls. The right-most dot likewise indicates that, among individuals who stopped receiving cash assistance in May 2000 and became at risk of returning in June 2000, 22 percent actually returned to the rolls within six months.[33] The measure of recidivism was limited to those who returned to the rolls within six months because other research indicates that most recidivists return to the rolls soon after leaving.[34]

The rate at which adults returned to the welfare rolls increased gradually before the implementation of OWF, and the counterfactual (the heavy solid line) indicates that this gradual increase would have continued. The actual rate at which adults returned to the welfare rolls did increase slightly after 1997 and is fairly close to the predicted rate. This implies that OWF had little effect on recidivism. The small effect of OWF on the number of adults returning to welfare within six months is verified by the second row of the upper panel in Table 3.2. According to this result, OWF did not result in a statistically significant change in the number of adult welfare recidivists.

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[31] Since the data begin in July 1992, it is possible that some people who are identified as new welfare recipients had received welfare before July 1992.

[32] In this analysis, a recidivist is an individual who has received cash assistance at some point in the past but has not received benefits within the preceding two months of restarting cash receipt. For example, an individual first starting welfare in January 1993 who leaves in January 1994 and starts again in April 1994 (three months later) is a new entrant in January 1993, at risk of returning to welfare in March 1994 (having been off the rolls for January and February 1994), and a recidivist in April 1994. In Cuyahoga County, 31 percent of all former welfare recipients returned to the welfare rolls at some point during the period described in this chapter.

[33] If an individual cycled on and off welfare several times, then only the first welfare exit and only the first return to welfare are included in this analysis.

[34] Coulton, Verma, and Guo, 1996.

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Table 3.2

Estimated Effect of OWF Reforms on Recipients' Entering Cash Assistance Within a Specified Period of Time

	Best Estimate of Effect of OWF
Starting welfare	
Number of people starting welfare each month:	
All new entrants	14.28 [1.03]
Percentage of people reentering welfare:	
Off welfare at least 6 months prior to reentry	-2.49 [-1.94]
Food stamp-only recipients starting welfare	
Percentage of food stamp-only recipients starting welfare within:	
3 months	-9.74 *** [-9.48]
6 months	-11.94 *** [-11.05]
12 months	-11.23 *** [-10.46]
24 months	-5.95 *** [-6.02]

SOURCES: MDRC calculations using Cuyahoga County Income Maintenance Files and unemployment insurance records.

NOTES: Sample is limited to adults. Estimates were regression-adjusted using ordinary least squares, controlling for demographic characteristics of recipients. See Table A.2 for sample sizes of first-stage regressions.

The estimated effect of OWF is the average post-reform difference from the best estimated pre-reform trend. See text for more information.

Food stamp recipient results exclude single (adult) recipients, who were subject to different eligibility rules since 1996. The probability that food stamp recipients start welfare receipt refers to the likelihood that someone receiving food stamps, but not cash assistance, starts to receive cash assistance within a specifed period of time.

The percentage of people reentering welfare each month is calculated as the proportion of entrants in each at-risk group who return to welfare within six months. See text for details.

T-statistics are listed in brackets. Statistical significance levels are indicated as: * = 5 percent; ** = 1 percent; and *** = 0.1 percent.

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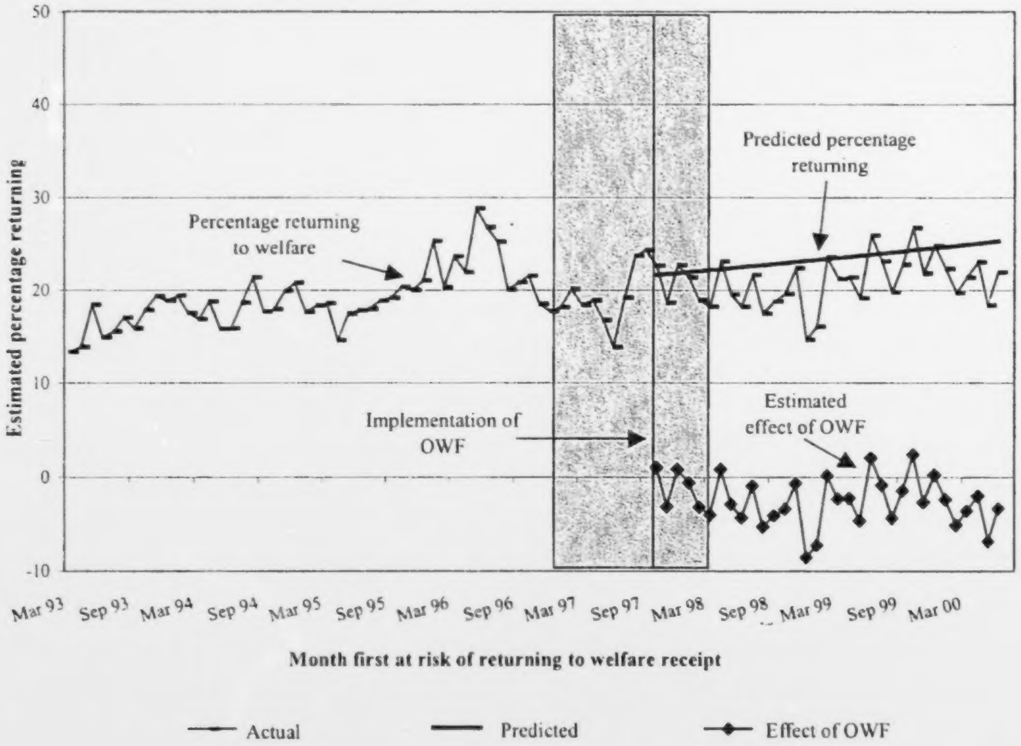
Figure 3.4

Percentage of Recipients Returning to Welfare Within Six Months of Leaving



SOURCE: MDRC calculations using Cuyahoga County's Income Maintenance Files.

NOTES: Sample is limited to adults.

Estimates were regression-adjusted using ordinary least-squares, controlling for demographic characteristics of recipients.

The shaded area represents the time span over which Ohio Works First (OWF) policies may have affected behavior, as the policies were well advertised prior to being signed into law and were gradually implemented over time. The area extends from January 1997 to March 1998. The middle vertical line represents the implementation of OWF, Cuyahoga County's TANF program, in October 1997.

"Predicted percentage returning" and "Estimated effect of OWF" are calculated using a semilogarithmic trend for the pre-reform period. See text for details.

Welfare entry among food stamp recipients. Results in the previous section suggest that OWF had little effect on the number of people coming onto the welfare rolls, either for the first time or after a spell away from welfare. One difficulty with that analysis, however, is that there is no way to know how many families were at risk of becoming welfare recipients. For example, the number of people who were potentially eligible for welfare presumably declined over time, because the number of teenagers having children had decreased during the 1990s.[35]

This section explores welfare entry by families who initially received food stamps without cash assistance. In particular, the section examines welfare entry among adults in new food stamp-only families, that is, families who had began receiving food stamps after 1992 but who did not receive cash assistance when they began receiving food stamps and had not received cash assistance since 1992.[36] This group probably comprises working people whose income was too high to qualify for cash assistance benefits but who, with a modest decrease in income, were at risk of receiving cash assistance.[37] Figure 3.5 shows the percentage of new food stamp-only families who began receiving cash assistance within a year of first receiving food stamps. The right-most dot indicates that close to 13 percent of people who began receiving food stamps without cash assistance in December 1999 had begun receiving cash assistance by December 2000. As in other figures in this chapter, dots to the right of the shaded area represent people who first began receiving food stamps after OWF was implemented, while dots to the left of the shaded area represent people who began receiving food stamps before OWF was implemented; dots within the shaded area represent people who began receiving food stamps either shortly before or while OWF was first being implemented.

Figure 3.5 shows that the percentage of new food stamp-only recipients who received cash assistance within a year gradually increased from 1993 until OWF was implemented but that the rate of increase flattened out shortly before the implementation of OWF. The counterfactual implies a slight increase in this rate after 1997. Instead, the proportion moving onto cash assistance dropped substantially after 1997, from about 33 percent around the time that OWF was first implemented to less than 15 percent by the end of the period. The difference between the counterfactual (a slight increase after 1997) and what actually happened (a steep decline after 1997) implies that OWF substantially reduced the number of people entering welfare from this at-risk group.

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[35] Sawhill, 2001.

[36] Approximately 10 percent to 30 percent of new AFDC/TANF entrants received food stamps (only) within six months of beginning cash assistance receipt, and approximately 17 percent to 43 percent received a combination of food stamps and Medicaid. In the analysis, "food stamp recipients" refers to the latter group, who may also have received Medicaid. While these recipients represent less than half of all new recipients to cash assistance, they are considered to be an informative group.

[37] Table A.2 presents the size of this group and changes over time.

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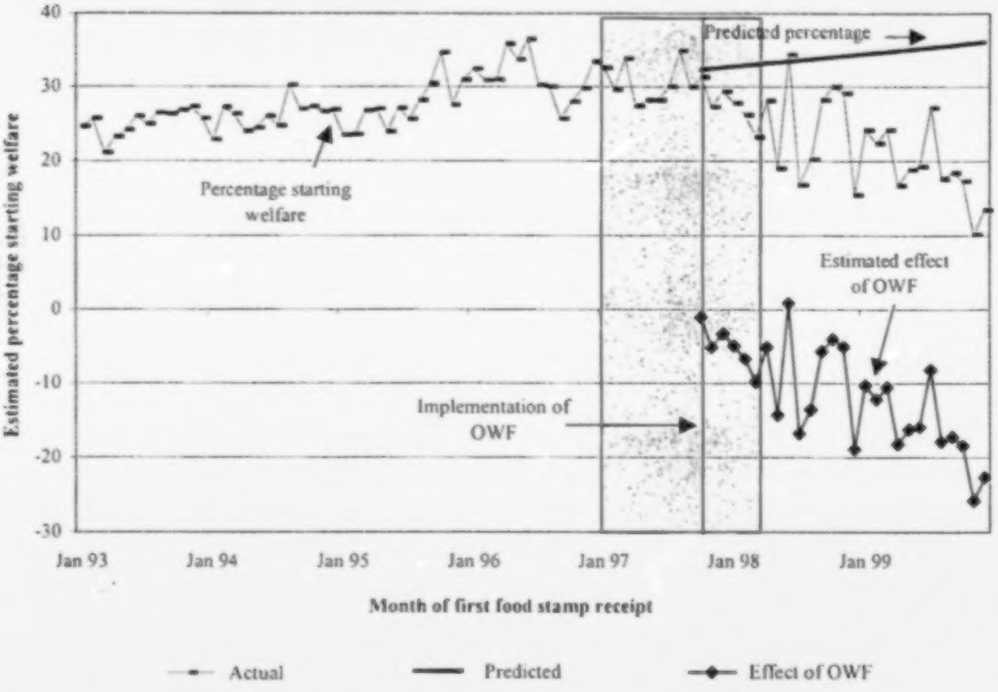
Figure 3.5

Percentage of People Entering AFDC/TANF from Food Stamps Within a Year of Starting Food Stamp Receipt



SOURCE: MDRC calculations using Cuyahoga County's Income Maintenance Files.

NOTES: Sample is limited to adults.

Estimates were regression-adjusted using ordinary least-squares, controlling for the demographic characteristics of recipients.

Food stamp recipients exclude single, adult recipients, who were subject to different eligibility rules since 1996. The probability that food stamp recipients start welfare receipt refers to the likelihood that someone receiving food stamps, but not cash assistance, starts to receive cash assistance within a specifed period of time.

The shaded area represents the time span over which Ohio Works First (OWF) policies may have affected behavior, as the policies were well advertised prior to being signed into law and were gradually implemented over time. The area extends from January 1997 to March 1998. The middle vertical line represents the implementation of OWF, Cuyahoga County's TANF program, in October 1997.

"Predicted percentage starting" and "Estimated effect of OWF" are based on the linear model for the pre-reform trend. See text for details.

The lower panel of Table 3.2 shows the average effect of OWF on the likelihood that food stamp recipients started receiving cash assistance. Results are shown for four different outcomes: receiving cash assistance within three months of receiving food stamps, within six months, within a year, and within two years. In each case, the results imply that OWF significantly reduced the number of food stamp-only families who subsequently received cash assistance, ranging from a reduction of 11.9 percentage points within six months to a reduction of 6.0 percentage points within two years. This may suggest that Cuyahoga County's efforts to divert families from cash assistance — in part by encouraging them to take food stamps, Medicaid, and support services like child care instead of cash assistance — were successful. (Chapter 2 discusses the county's diversion strategies.)

The Effects of OWF on Employment

So far, the chapter has argued that OWF probably reduced welfare receipt by encouraging long-term welfare recipients to leave the rolls faster and by helping people at risk of receiving cash assistance avoid coming onto the welfare rolls in the first place. However, the results did not suggest that new welfare recipients were encouraged to leave welfare faster. Although OWF might not have helped new welfare recipients leave the rolls faster, it might have helped more of them go to work. Both the welfare-to-work program — which emphasized job search — and the enhanced earnings disregard would have encouraged welfare recipients to work, although the two components of welfare reform may have had counteracting effects on welfare exits, as was found in the FTP study described earlier.

This section investigates the effects of OWF on employment among welfare recipients. Two outcomes are examined: employment and stable employment. The analyses use data from unemployment insurance (UI) records. As discussed earlier, there are a number of caveats to consider when analyzing these data. Since UI data are reported quarterly, all results are presented by quarter rather than by month. The remainder of the analysis is similar to the earlier analysis.

Did OWF Increase Employment?

This section explores whether OWF increased the likelihood that a new welfare recipient worked within four quarters of first receiving cash assistance. As in the other analyses in this chapter, the choice of using four quarters is somewhat arbitrary. However, results from NEWWS[38] and other random assignment evaluations imply that mandatory job search policies — as were used in OWF — have immediate effects on employment, while results from studies of financial work incentives indicate that they also tend to have immediate effects on employment.[39] If OWF affected employment, it therefore seems reasonable to expect it to have had an effect on employment within a year.

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[38] Hamilton et al., 2001.

Figure 3.6 shows the proportion of each group of new welfare recipients who worked within four quarters. For example, 50 percent of adults who began receiving cash assistance in the second quarter of 1993 worked before the second quarter of 1994. In contrast, over 63 percent of people who began receiving cash assistance in the first the quarter of 1999 worked before the first quarter of 2000.

According to Figure 3.6, employment among recent new welfare recipients grew slowly but steadily throughout the 1990s. The counterfactual (the heavy straight line) is virtually flat, but it closely matches the actual rate of employment. This suggests that OWF did not have a noticeable effect on employment among recent welfare recipients. The upper panel of Table 3.3 — which presents estimates of the effect on employment of new welfare recipients — confirms that OWF's effect was small and is not statistically significant.

If OWF did not increase employment among new welfare recipients, it is doubtful that it increased the likelihood that new welfare recipients would eventually combine work and welfare. Recall that this is one of the hypotheses for why OWF did not appear to increase welfare exits among new welfare recipients. It is true that more welfare recipients worked in 2000 than in 1993, but new welfare recipients left welfare so quickly in 2000 that few worked while they remained on the rolls. An analysis — not shown in the tables and figures presented here — confirmed this finding: OWF was not associated with an increase in the likelihood that new welfare recipients combined work and welfare, worked without receiving welfare, or received welfare without working.[40]

This may seem to present an inconsistency with Chapter 2, but there are two important differences between the two chapters. First, Chapter 2 presents information based on reports by welfare recipients to the welfare office, whereas this chapter reports information from UI administrative records. Because clients may have a stronger incentive to report employment in the post-OWF period, this may account for the increase in welfare and work reported in Figure 2.2. Second, Chapter 2 shows the proportion of current welfare recipients who were working, whereas this chapter presents the proportion of new welfare recipients who were combining work and welfare a year after entering the rolls. It is possible that employment among those

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[39] Bloom and Michalopoulos, 2001.

[40] An analysis of long-term recipients revealed similar results. Employment among long-term recipients was fairly flat in the period before welfare reform. The counterfactual closely matches the actual rate of employment, suggesting that OWF did not have a noticeable effect. These results are consistent with the exit results presented earlier that revealed a dramatic increase in leaving welfare. While a significant number of recipients left welfare, not all left to go to work, so the increase in employment is not as great as the increase in exits.

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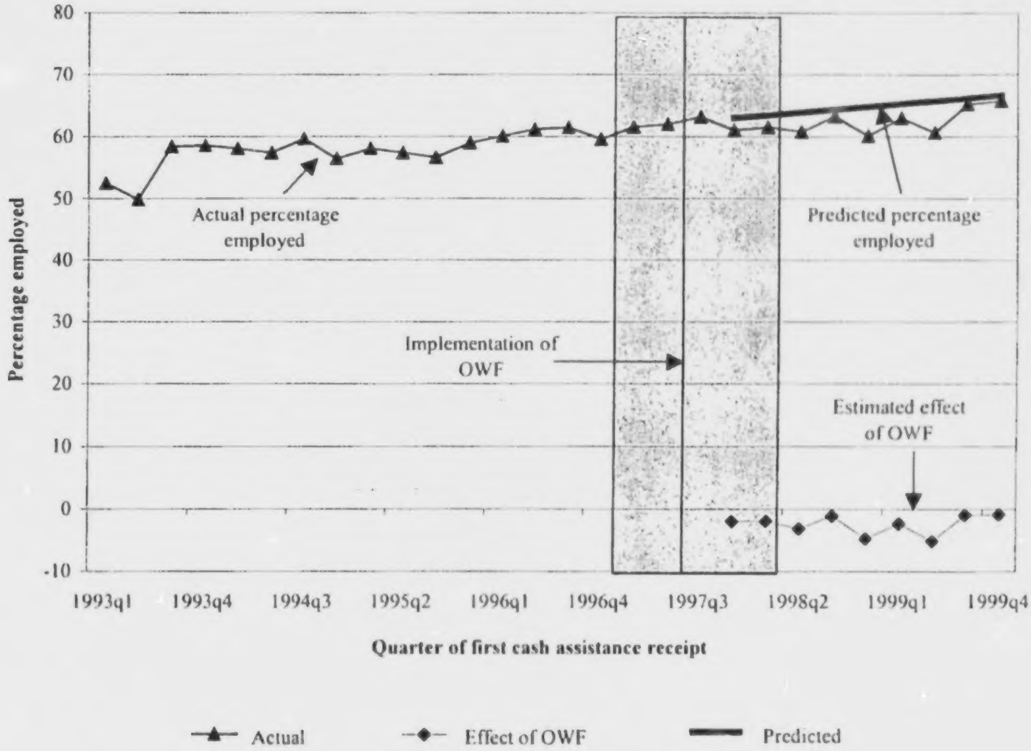
Figure 3.6

Percentage of People Employed Within Four Quarters of Starting AFDC/TANF



SOURCES: MDRC calculations using Cuyahoga County's Income Maintenance Files and Ohio Department of Jobs and Family Services unemployment insurance records.

NOTES: Sample is limited to adults.

Estimates were regression-adjusted using ordinary least-squares, controlling for demographic characteristics of recipients.

The shaded area represents the time span over which Ohio Works First (OWF) policies may have affected behavior, as the policies were well advertised prior to being signed into law and were gradually implemented over time. The area extends from January 1997 to March 1998. The middle vertical line represents the implementation of OWF, Cuyahoga County's TANF program, in October 1997.

"Predicted percentage employed" and "Estimated effect of OWF" are calculated using a linear trend for the pre-reform period. See text for details.

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Table 3.3

Estimated Effect of OWF Reforms on Employment and Employment Stability

	Best Estimate of Effect of OWF
All recipients	
Percentage employed during 4 quarters after the start of cash assistance	-2.47 [-1.71]
Employed recipients	
Percentage whose first employment spell lasted:	
1 to 3 quarters (unstable employment)	0.94 [0.60]
4 quarters or more (stable employment)	-1.84 * [-1.94]

SOURCES: MDRC calculations using Cuyahoga County Income Maintenance Files and unemployment insurance records.

NOTES: Estimates were regression-adjusted using ordinary least squares, controlling for demographic characteristics of recipients. See Table A.2 for sample sizes of first-stage regression.

The estimated effect of OWF is the average post-reform difference from the best estimated pre-reform trend. See text for more information.

T-statistics are listed in brackets. Statistical significance levels are indicated as: * = 5 percent; ** = 1 percent; and *** = 0.1 percent.

who were still on welfare was quite high at the end of the decade but that so many new welfare recipients had left the rolls within a year that few were actually combining work and welfare.

Did OWF Increase Short-Term Employment Stability?

Employment is likely to provide greater benefits if it is stable. For example, wages grow faster among people who work regularly than among people who work sporadically.[41] On the one hand, the job search assistance that OWF gave welfare recipients may have helped them find more stable employment. On the other hand, requiring welfare recipients to look for work may have encouraged many to take poor-quality jobs just to fulfill the requirement.

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[41] Gladden and Taber, 1999.

Figure 3.7 shows the proportion of new welfare recipients who found work within a year and then worked four or more consecutive quarters.[42] The figure shows that stable short-term employment increased over time. For example, 28 percent of people who received welfare for the first time in the first quarter of 1993 worked steadily for a year or more, compared with 39 percent of those who first received welfare in the first quarter of 1999. The increase in stable employment began before OWF was implemented, however, and continued after OWF began. The counterfactual therefore closely matches what actually happened, suggesting that OWF did not substantially affect employment stability.

Table 3.3 provides greater detail than Figure 3.7. The second row of the table provides information on unstable short-term employment (figure not presented). The results indicate that there is no difference in short-term unstable employment between pre-reform and post-reform quarterly groups. The third row of the table indicates that, under the nonlinear counterfactual, there is no marked difference in stable short-term employment. In other words, pre-reform quarterly groups do not differ from post-reform quarterly groups in short-term stable employment under the scenario of a nonlinear pre-reform trend.[43]

Overall, the results in this section and the prior section suggest that OWF did not noticeably affect short-term employment or employment stability.

Summary and Conclusions

The results presented in this chapter are broadly consistent with the notion that OWF reduced welfare caseloads, but the program's effects were not necessarily widespread across groups or outcomes. The findings suggest that OWF reduced welfare caseloads by encouraging long-term recipients to leave the rolls substantially faster than they otherwise would have but that the program had relatively small effects for new welfare recipients. The findings further suggest that OWF reduced the caseloads by helping food stamp recipients avoid coming onto welfare, perhaps by diverting potential welfare recipients to the Food Stamp Program. While the

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[42] Following Freedman (2000), "short-term employment stability" is defined as the first employment spell (after starting cash assistance receipt) that lasts four quarters or more. Employment spells that last for fewer than four quarters are deemed "unstable, short-term employment." This is a fairly complex definition intended to capture the fact that many recipients leave employment within the first year after they begin working (Rangarjan, Schochet, and Chu, 1998, pp. 15-23; cited in Strawn and Martinson, 2000, pp. 11-12).

[43] Short-term unstable and stable employment for long-term recipients also do not appear to have been affected by OWF.

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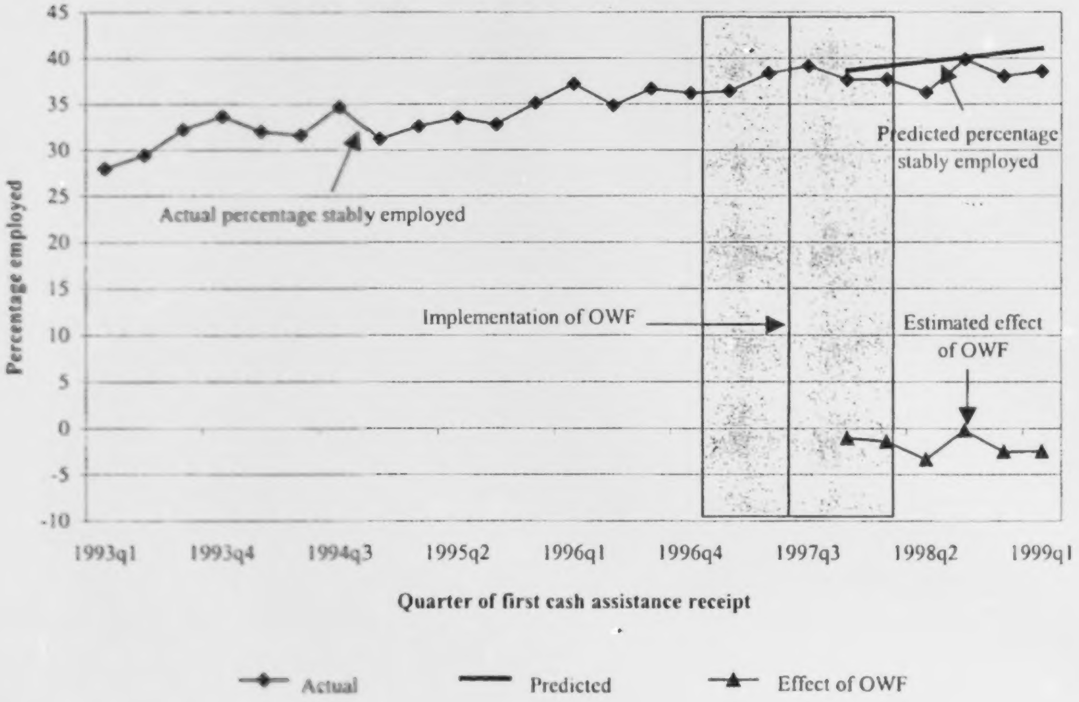
Figure 3.7

Percentage of People Entering Cash Assistance Whose First Spell of Employment Was Stable (Lasted Four Quarters or More)



SOURCES: MDRC calculations using Cuyahoga County's Income Maintenance Files and Ohio Department of Jobs and Family Services unemployment insurance records.

NOTES: Sample is limited to adults.

Estimates were regression-adjusted using ordinary least-squares, controlling for demographic characteristics of recipients.

The shaded area represents the time span over which Ohio Works First (OWF) policies may have affected behavior, as the policies were well advertised prior to being signed into law and were gradually implemented over time. The area extends from January 1997 to March 1998. The middle vertical line represents the implementation of OWF, Cuyahoga County's TANF program, in October 1997.

"Predicted percentage stably employed" and "Estimated effect of OWF" are calculated using a linear trend for the pre-reform period. See text for details.

results suggest two ways by which OWF helped reduce caseloads, there is little evidence that the program encouraged more people to work or to work steadily.

Although the results are broadly consistent with the goals of the program, they should be viewed with caution for a number of reasons. First, the effects of OWF were estimated by comparing what actually happened after 1997 with a counterfactual of what would have happened based on trends in welfare receipt and employment before 1997. The predicted counterfactual will be accurate only if the factors causing change before 1997 continued to cause similar change after 1997 and only if the preexisting trend was modeled correctly. While there is no reason to think that the predicted counterfactual is incorrect, even small mistakes in predicting the counterfactual could have led to large estimated effects of OWF when there were no effects; or small mistakes in prediction could have led to small estimated effects when, in fact, OWF caused substantial changes.

Second, this chapter examined only the period before the 36-month OWF time limit. While other studies have found some evidence that some families anticipate welfare time limits by leaving the rolls, random assignment studies have failed to find evidence that people leave welfare faster before they encounter time limits. When more data are collected in Cuyahoga County, what happened after families hit the time limit will become clearer, and OWF might then be found to have substantial effects.

Chapter 4

Employment Patterns and Barriers to Employment: Findings from the Longitudinal Survey and Ethnography

As indicated in previous chapters, during the 1990s welfare caseloads dropped sharply in Cuyahoga County, spells on welfare got shorter, and welfare recipients moved more quickly into the labor force — although many changes in behavior appear to have predated the implementation of Ohio Works First (OWF), the state's Temporary Assistance for Needy Families (TANF) program. Data from administrative records do not, however, provide information about the quality of jobs that welfare recipients took or the challenges they faced in managing family and work responsibilities. To complement the findings from the administrative welfare and unemployment insurance (UI) records, this chapter draws on two additional data sources to answer two broad questions:[1]

- How did employment experiences and challenges unfold over time among single mothers who were welfare recipients before welfare reform and the OWF program?
- What were the experiences and particular challenges of women who were especially vulnerable to potentially adverse effects of welfare reform?

When the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) was enacted in 1996, there were widely divergent hypotheses about how poor families would be affected. On the one hand, supporters of welfare reform expected that time limits in conjunction with enhanced but temporary assistance would promote employment and thereby improve the financial situation of poor families in the long run. On the other hand, critics predicted devastating effects on low-income families — that the loss of cash benefits combined with difficulties in finding steady, adequate employment would result in increased poverty, more homelessness and housing problems, greater food insecurity and hunger, and loss of health insurance and health care access.

It is important to keep in mind that the data available from the Urban Change survey and ethnography cannot be used to rigorously test such hypotheses about welfare reform's effects. The circumstances of poor families would have changed over time even in the absence of OWF, particularly because its implementation coincided with a strengthening economy. Thus, if the situations of poor families improve, it cannot be concluded that welfare reform caused the improvements. Improvements would, however, offer some evidence that the new policies did not result in devastation, at least during good economic times. Conversely, if poor families are worse off than they were previously, it cannot be concluded that welfare reform caused the decline; but worsening situations would undermine the hypothesis that welfare reform had beneficial effects. This chapter examines the evolving circumstances of a sample of welfare recipients with regard to employment and also analyzes employment outcomes for groups whose vulnerabilities differed. Chapter 5 examines the economic well-being of these families.

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[1] These questions are similar to ones recommended by the National Research Council (NRC) as key research questions for monitoring the effects of TANF: "How has the well-being of the low-income population and key subgroups evolved since welfare reform?" (Moffitt, 2001, p. 7).

Summary of Findings

- Among women living in Cleveland's poorest neighborhoods and receiving welfare in 1995, almost all had had paid employment after welfare reform (OWF) was implemented in 1997; the majority were working without receiving welfare in 2001..
- Employment stability was fairly high overall, with nearly two out of five having worked in 36 months or more of a 48-month period.
- Over time, women's employment situations improved: On average, they were paid higher hourly wages, worked more hours, had higher weekly earnings, and were more likely to have jobs with fringe benefits in 2001 than in 1998.
- Despite improvements over time, in 2001, only one out of three working women were in full-time jobs that paid $7.50 or more per hour and that offered health insurance.
- Women who were terminated from cash assistance because of time limits — who were more disadvantaged initially than nonterminated women — had less success in the labor market than other women. Yet most of the terminated women had recent work experience, and those who worked also had better jobs in 2001 than in 1998.
- Barriers to employment were high overall, especially for terminated women, but there were some improvements from 1998 to 2001 for the sample as a whole.

Data Sources

As indicated in Chapter 1, the Urban Change study involved data collected from multiple sources, including longitudinal survey interviews and longitudinal in-depth qualitative interviews. This chapter uses data from the two rounds of the survey and multiple rounds of the in-depth interviews to describe employment patterns of women who had received welfare in Cuyahoga County and were potentially subject to the new policies and requirements of OWF.

Survey Data

The Urban Change survey involved women who, in May 1995, were single mothers aged 18 to 45 and who were receiving cash welfare and/or food stamp benefits. Based on administrative records files, the survey sample was randomly selected from women who were living in census tracts where either the poverty rate exceeded 30 percent or the rate of welfare receipt exceeded 20 percent — that is, in the most economically disadvantaged neighborhoods in Cuyahoga County.[2]

In the Wave 1 interviews, completed between March and December 1998,[3] a total of 1,013 women were interviewed, representing a response rate of 80 percent of those randomly selected.[4] In Wave 2, completed between March and September 2001, attempts were made to reinterview these same women. A total of 867 women (86 percent of those interviewed in 1998) completed a Wave 2 interview.[5] In both rounds of in-person interviews, interviewers questioned women on a wide range of topics, including employment, family circumstances, household income, health and material hardship, and the use of support and safety net services.

This chapter and Chapter 5 focus on the 689 survey respondents who were welfare recipients at "baseline" (that is, in May 1995) and who completed both rounds of interviews.[6] These 689 single mothers are mostly African-American (80 percent), and they were, on average, just under 30 years old in May 1995. They had an average of 2.5 children living with them at baseline, and just over half the women (55 percent) had a high school diploma or GED certificate. These women typically were long-term welfare recipients, having gotten an average of 29 months of cash assistance between July 1992 (the earliest date that administrative records files were available) and May 1995.

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[2] The high-welfare neighborhoods are shown on the map in Figure 6.3 (Chapter 6).

[3] Two interviews were completed in early January 1999.

[4] In Wave 1, 10 percent of the selected women could not be located, and 10 percent declined to be interviewed. (Note that survey response rates for state-initiated welfare leaver studies are generally under 75 percent and sometimes are as low as 51 percent [Acs and Loprest, 2001]).

[5] An analysis of attrition bias revealed that those who participated in the 2001 interview were not significantly different from those who did not participate, in terms of demographic characteristics measured in 1998 (for example, race, age, marital status, educational attainment, welfare status).

[6] The remaining 178 cases in the full research sample were excluded from these analyses because the intent was to examine the trajectories of women who were on the rolls at a fixed point in time. These food-stamp-only cases (all but a handful of whom had gotten cash aid before May 1995) were included in the overall sample because they were considered at risk of returning to or initiating cash welfare. Indeed, of the 178 cases excluded from the report sample because they were not receiving AFDC in May 1995, 68 (38 percent) subsequently did receive cash aid.

In this report, the analysis of survey data is descriptive. The data are used to describe these women's employment patterns and experiences over time, from a period before OWF was put in place until 2001, when some women's cash assistance was being terminated because they had hit the time limit. Thus, the numbers presented in this chapter are not statistically adjusted.

Ethnographic Data

The ethnographic study involved repeated in-depth, semistructured, in-person interviews, collected over a four-year period, with a sample of 38 families. All ethnographic study participants were welfare-reliant at the first interview in 1998. Subjects were recruited from three poor neighborhoods that varied in terms of ethnic composition and poverty: Detroit-Shoreway (predominantly white, with moderate poverty); East Cleveland (mainly African-American, with moderate poverty); and Glenville (mainly African-American, with high poverty).

The ethnographic interviews explored many of the same issues as the survey, but ethnographic respondents were engaged in open-ended discussions around each of these issues. Thus, the ethnographic interviews yielded rich narrative data about how the families were coping with the new welfare rules and policies and how the mothers were managing as they attempted to combine work with their parenting responsibilities.

The survey and ethnographic samples were drawn from overlapping but not identical populations (no women were in both the ethnography and the survey). The survey sample includes women who had already left welfare by 1998, whereas all ethnographic respondents were receiving cash benefits in 1998. Moreover, they were living in even more disadvantaged neighborhoods, on average, than the survey sample.[7] Thus, survey respondents are a more heterogeneous group of women representing a broader segment of the low-income population than the ethnographic sample. Both samples, however, were drawn from the poorer neighborhoods of Cuyahoga County, where the economic challenges for low-skilled single mothers are likely to be formidable.

The ethnographic data follow the lives of families over three to four years. The qualitative analysis sheds light on processes that cannot be understood with the survey data available. The longitudinal ethnographic design permitted a monitoring of changes, and provided opportunities to ask directly about such changes as they occurred.

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[7] Ethnographic neighborhoods were in census tracts from which survey sample members were drawn, but the survey sampled women from dozens of tracts, some of which were less poor than those for the ethnography.

Patterns of Employment and Job Characteristics Over Time

Prior studies have found that most welfare recipients do eventually enter the labor force.[8] Indeed, data presented in Chapter 3 indicate that 85 percent of all cash assistance recipients in Cuyahoga County between 1993 and 2000 had formal sector earnings at some point during that period. Even in the absence of welfare reform, many recipients likely would have traded a welfare check for a paycheck. This section examines employment patterns over time among recipients from very poor neighborhoods, including the characteristics of the jobs they obtained.

Employment Rates and Employment Stability

Among the women in the survey sample, welfare receipt declined from 100 percent at baseline, to 50 percent at the time of the Wave 1 interview in 1998, to 12 percent at the Wave 2 interview in 2001.[9] (In the ethnographic sample, welfare receipt declined from 100 percent at the first interview in 1998 to 3 percent at the fourth interview in 2001.)[10] At the same time, employment increased. Figure 4.1 shows the following trends in sources of personal income over time, from the 1998 interview to the 2001 interview:

- An increase of 77 percent in women who worked without getting welfare (up from 38 percent to 67 percent)
- A decline of 78 percent in women combining work and welfare (down from 16 percent to 3 percent)
- A sharp decline in women who were on welfare but not working (down from 35 percent to 9 percent)
- A near doubling of women who were neither working nor receiving welfare (up from 11 percent to 20 percent)

Thus, about 88 percent of the women were "welfare leavers," and 71 percent of the sample (77 percent of the leavers) were working for pay at the time of the 2001 interview — a rate higher than that generally reported in studies of women who have been on welfare. For example, data from 15 welfare leaver studies indicate that about 75 percent of leavers worked at some point after leaving welfare (in one to two years of follow-up) and that about 60 percent

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[8] See, for example, Harris, 1996; Acs and Loprest, 2001.

[9] Among the 603 women in the survey sample who had left welfare by the time of the 2001 interview, the average number of months of welfare receipt subsequent to baseline (May 1995) was 35 months. Only about 30 percent of these women had had less than two years of cash assistance after May 1995, and thus the majority had exposure to OWF's new rules.

[10] The interviews in 2001 were conducted 10 months after time limits were implemented in Cuyahoga County; almost 50 percent of these women had hit time limits before their last interview, and cash assistance had been terminated.

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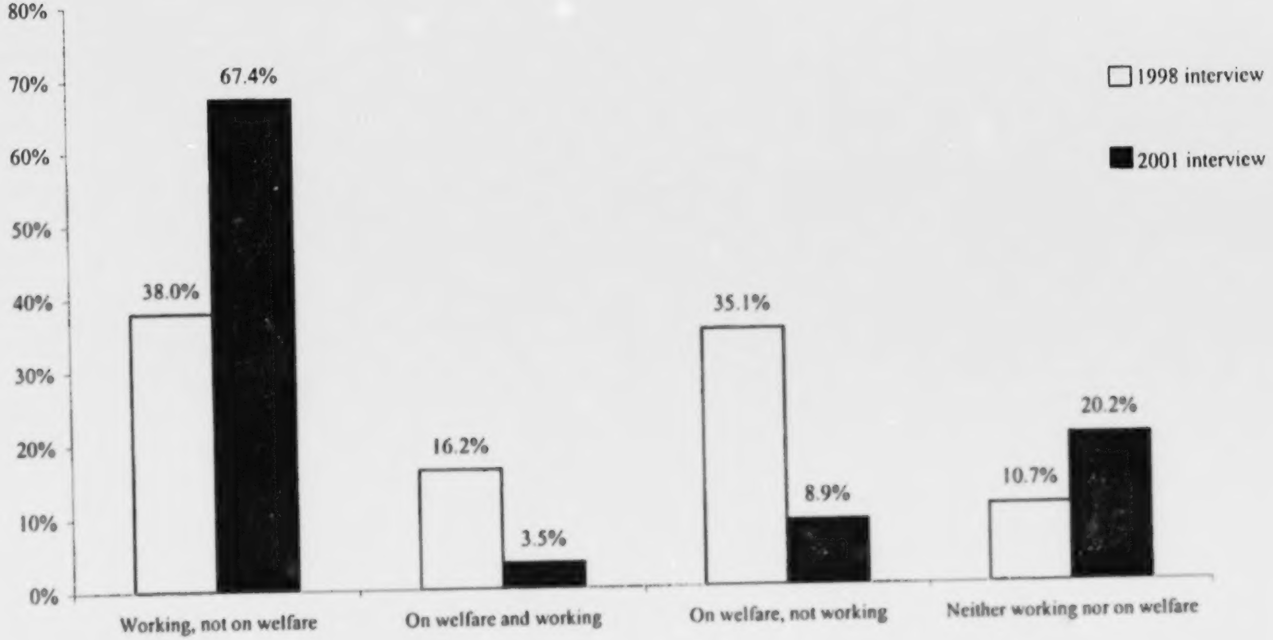
Figure 4.1

Sources of Personal Income at 1998 and 2001 Survey Interviews



SOURCE: MDRC calculations from the Urban Change Respondent Survey.

NOTE: Sample size is 684 respondents for the 1998 interview and 688 respondents for the 2001 interview.

were employed at any given time after exiting.[11] Of course, these higher rates in Cuyahoga County are not necessarily the result of welfare reform and could reflect many other factors, such as the strong economy in 2001, when Wave 2 data were collected.

Despite the "good news" of fairly high rates of employment compared with what has been observed in other studies, the growth in the percentage of women who had neither employment earnings nor cash welfare support — from 11 percent in 1998 to 20 percent in 2001 — is of concern. Nearly one-third of the ethnographic respondents were in this situation at the time of the final interview.

The survey gathered information about all jobs (including informal jobs)[12] that women had held in the two years before the 1998 interview and in the years between interviews, resulting in complete employment histories over a 48-month period for all women.[13] Figure 4.2 shows that there was a fair amount of employment stability among these women between 1997 and 2001. Only 6 percent had not had any paid employment during that period.[14] Nearly two out of five women had worked most of the time — in at least 36 of the 48 months, or 75 percent or more of the months in question. By comparison, in the National Evaluation of Welfare-to-Work Strategies (NEWWS) study, which similarly studied the employment history of welfare recipients, only 26 percent of the women who had worked during the four-year study period had been employed in more than 75 percent of the quarters.[15] Part of this difference likely reflects differences in the studies' time periods; data for the NEWWS study were collected in the mid-1990s, when the economy was less strong. The difference may also partly reflect the use of different data sources: survey data that include informal jobs in Urban Change versus UI data in NEWWS.[16] Still, the difference between 26 percent of workers in NEWWS and 41 percent of workers in Urban Change/Cuyahoga County is noteworthy, especially in light of the fact that

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[11] Acs and Loprest, 2001.

[12] Specifically, respondents were asked two questions to determine paid employment: (1) "Since (Date), have you worked for pay at any regular job at all? Please don't count unpaid work experience, but do include any paid jobs, including paid community service jobs or paid on-the-job training." and (2) "A lot of people have irregular or temporary jobs on the side to make ends meet. This would include odd jobs like babysitting, doing hair, or other paid work at home, or other occasional jobs like cleaning houses or doing day labor. Have you done any job like that for pay since (Date)?" Respondents who answered "yes" to either question were counted as having had paid employment in the period covered. The "Date" in 1998 was two years prior to the interview, and the "Date" in 2001 was the date of the 1998 interview.

[13] Because some women were interviewed late in 1998 and then early in 2001, it was not possible to construct employment histories of more than 48 months for all respondents.

[14] According to UI records, 82 percent of the sample had *formal sector* employment during the period from the first quarter of 1997 to the fourth quarter of 2000, indicating that formal sector employment was also prevalent.

[15] Martinson, 2000.

[16] In their summary of findings from 15 welfare leaver studies, Acs and Loprest (2001) compared survey and UI data when both were available in a study; survey data invariably showed higher rates of employment than data from UI records, presumably because surveys can capture "off-the-books" employment.

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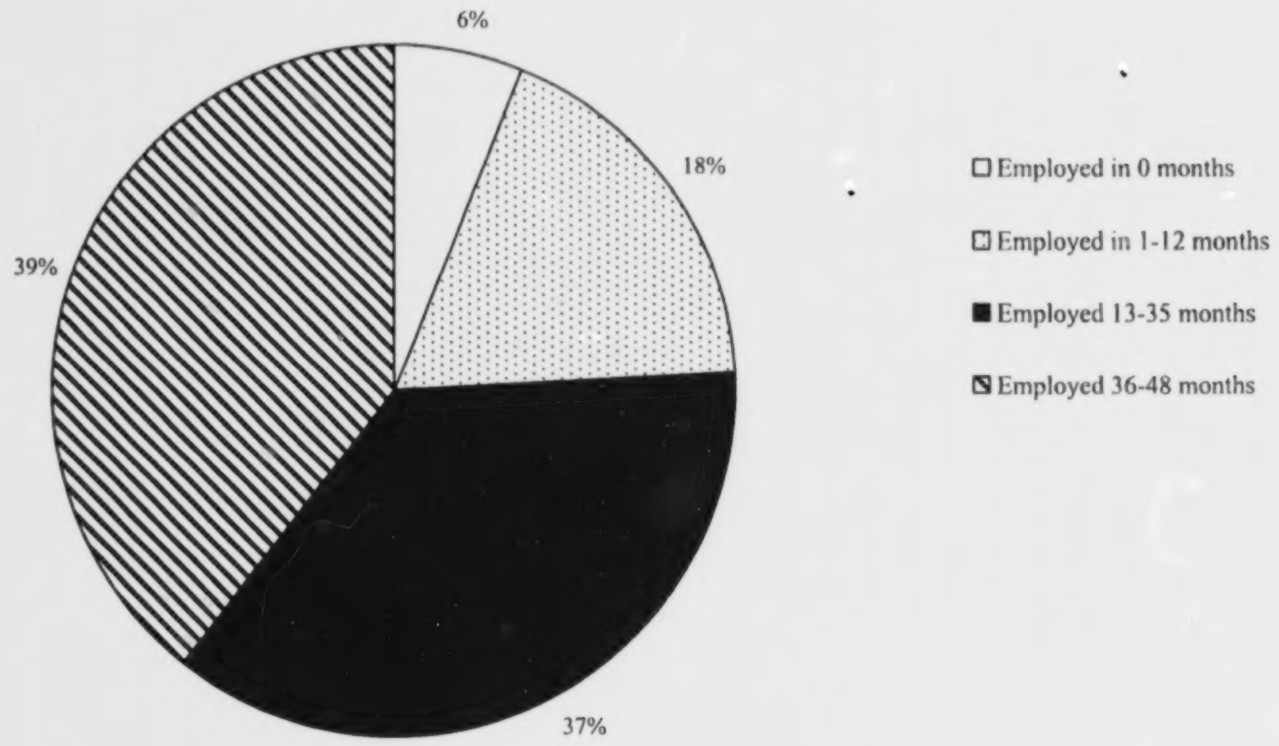
Figure 4.2

Number of Months in Which Employed in the 48 Months Before the 2001 Survey Interview



SOURCE: MDRC calculations from the Urban Change Respondent Survey.

NOTE: Sample size is 656 respondents.

the Urban Change sample was specifically selected to represent women from extremely disadvantaged neighborhoods.[17]

Some women in the Urban Change survey sample, however, had had less success in working continuously than others. Nearly one out of five women had worked in 12 months or fewer in the preceding four years, and about two out of five had worked from 13 to 35 months. Most ethnographic respondents were in this middle range of employment stability.

Employment stability is not the same as stability in a given job. Figure 4.3 shows that only 16 percent of the women in the survey had worked in a single job during the 48 months before the 2001 interview, and about one-third had held four or more different jobs. Job changes are sometimes beneficial, of course, especially for entry-level workers. Moreover, job stability was not unusual in this sample, either: The mean duration of these women's current or most recent job in 2001 was 22 months, and some 29 percent of the women had held that job for 24 months or more[18] (not shown).

In the ethnographic sample, *job instability* was extensive, even when *employment stability* was moderate. For example, Sarah (a 38-year-old African-American mother of two minor children) found a job through a temporary agency doing assembly work in a factory in the first year of the study, but she had to quit because of transportation problems. In the second year, she worked at four different jobs through a temporary agency, all of which paid $7.00 per hour: two factory jobs, a job in a print shop, and a housekeeping job. One factory job became permanent, but she was fired because she missed too many days of work because of her children's illnesses (which were routine childhood illnesses and not chronic). During the third year, Sarah worked in a bowling alley and then got a six-week job selling candy and T-shirts at a sports arena for $9.00 an hour. Then a temporary agency found her a month-long assembly job that paid $6.50 an hour, followed by another assembly job that paid $7.00 an hour. At the time of her final interview, Sarah had been working at a local sports equipment factory for about two months, making $6.00 an hour. Sarah's story, which was not uncommon among ethnographic respondents, illustrates that job instability can be accompanied by considerable *earnings instability*, both because there are periods of unemployment between jobs and because there are fluctuations in wages in different jobs.[19]

In the survey, women who were no longer working at the time of the 2001 interview were asked the circumstances of leaving their most recent jobs. Most typically, women indi-

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[17] Moreover, working in 75 percent of quarters (as used in NEWWS) is a less stringent test of employment stability than working in 75 percent of months (as used in this study), since work in a quarter requires only one day of employment over a three-month period.

[18] For further information about employment stability in the Urban Change sample (based on 1998 survey data and two rounds of ethnographic data from all sites), see Polit et al., 2001.

[19] For more findings from the ethnography about job instability, see Scott, Edin, London, and Kissane (2001).

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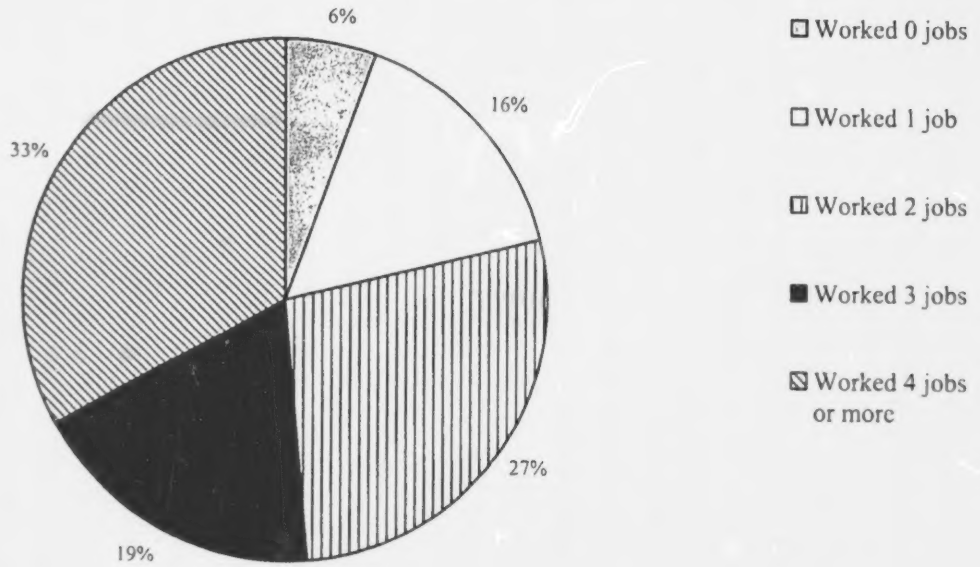
Figure 4.3

Number of Jobs Worked in the 48 Months Before the 2001 Survey Interview



SOURCE: MDRC calculations from the Urban Change Respondent Survey.

NOTES: Sample size is 686 respondents.
Rounding may cause slight discrepancies in calculating sums and differences.

cated that they had quit their job (43 percent), but nearly one-third said that they had been laid off or the job had ended; some 26 percent said that they had been fired. The most frequently cited reason for quitting their jobs was a personal health problem.[20] Ethnographic data also indicate that women were sometimes fired because of their own or their children's health problems, which sometimes result in an unacceptably high rate of work absences, as illustrated by Sarah's story.

Another ethnographic respondent, Rochelle (a 45-year-old African-American mother of two) illustrates that reasons for job loss are often circumstantial. Rochelle left a number of jobs during the study period, for widely varying reasons. In the fall of 1999, she worked for a clothing-store chain for a brief period, earning $6.00 per hour without benefits. She quit because her work schedule did not allow her to pick up her children from school. Then she worked three or four days per week in a restaurant, where she earned $25.00 per day plus meager tips; she was let go in June 2000 because business was poor. Rochelle then found a job doing housekeeping in a nursing home, but she was fired within a month for insubordination. Relying on cash benefits again, Rochelle got sick and was hospitalized in July 2000. In August, she was hired by Wendy's, but she had to quit when she became ill again in December. She was out of work for a couple of months, but, having hit the time limit, she went back to work at Wendy's, where she was employed at the time of the final interview in 2001.

Job Characteristics Over Time

Studies of welfare recipients have consistently found that women who leave welfare for work typically move into low-paying jobs without fringe benefits.[21] Many of the survey respondents in Cuyahoga County *were* in low-wage jobs, but the characteristics of those jobs generally improved over time.

Of the 689 women in the survey sample, 79 percent had worked in the two-year period before the 1998 interview, and 94 percent had had paid employment between 1999 and 2001. Information about the women's current or most recent job was obtained in both interviews. At both times, the majority of jobs had been full time (35 hours a week or more). Part-time labor declined over the three years, from 32 percent of workers in 1998 to 25 percent in 2001. The average hourly wage of current or most recent jobs was higher in 2001 ($8.60) than in 1998 ($7.20),[22] and fewer women were in jobs that paid the minimum wage or less (down from 17 percent in 1998 to 8 percent in 2001).[23] Because there were increases over time in both hours worked and hourly wages, higher weekly average earnings were reported at the 2001 interview (an average of $325) than at the 1998 interview (an average of $258). The jobs that the working women held in 2001 were more likely than earlier jobs to offer such fringe benefits as health insurance (up from 33 percent to 37 percent) and sick days with pay (up from 29 percent to 39 percent). (These data are not shown in tables.)

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[20] About one-third of the women who were not employed at the time of the 2001 survey interview cited a personal health problem as the reason for quitting a job. Child care problems were cited by 11 percent of the unemployed survey respondents.

[21] See, for example, Acs and Loprest, 2001.

[22] Nationally, the median hourly wage of former TANF recipients in 1999 was $7.15 (Loprest, 2001), compared with medians of $6.80 in 1998 and $8.00 in 2001 for this Cuyahoga County sample. In the 15 welfare leaver studies, hourly wages typically averaged between $7.00 and $8.00 (Acs and Loprest, 2001).

Figure 4.4 presents information about the characteristics of the women's current job for those working in 1998 and in 2001. The chart on the left indicates that only 23 percent of current workers had what might be considered a "good" job in 1998 — that is, a full-time job that paid $7.50 or more per hour and that provided health insurance.[24] In 2001, by contrast, when many more women were working, some 32 percent of workers had full-time jobs that paid $7.50 or more hourly and that offered medical benefits.

Over time, then, these women were more likely to be working in better jobs. Nevertheless, it is important to note that — even in 2001, when the economy was strong — substantial percentages of women were working full time in low-paying jobs that did not offer fringe benefits. Nearly half the women who worked (44 percent) had *no* benefits such as sick pay, health insurance, or paid vacation days in their current or most recent job. About half (47 percent) were working in service sector jobs (for example, cashier, housecleaner/maid), which typically offer limited opportunities for advancement. Only slightly more than half (53 percent) had regular day jobs (that is, with shifts completely between the hours of 6 A.M. and 6 P.M.), compared with 86 percent of women workers nationally in 1997.[25] Among those working at the time of the 2001 interview, one out of ten had two or more jobs, and a noteworthy minority of workers (14 percent) were working 50 hours or more per week in all jobs, despite the fact that almost all were caring for children (not shown in tables).

An ethnographic respondent illustrates the situation of a woman who worked two low-wage jobs and irregular hours. At the time of the final interview in 2001, Maria (a 31-year-old white woman with four children) was working 20 hours a week as a store cashier— a job she had held for about nine months. This job, which gave her about $85 a week in take-home pay, offered no fringe benefits. Maria was also working informally at a pizza shop, making deliveries and earning tips but no wages. She worked four nights a week (from about 5 P.M. until sometime between midnight and 2 A.M., depending on the day). This job was her primary source of income, but her earnings from it were erratic (typically about $160 per week).

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[23] Hourly wages were not adjusted for inflation.

[24] According to official poverty guidelines, an hourly wage of $7.50 in a 40-hour-per-week job would put a family of three above the poverty line in both 1998 and 2001.

[25] U.S. Department of Labor, Bureau of Labor Statistics, 2001.

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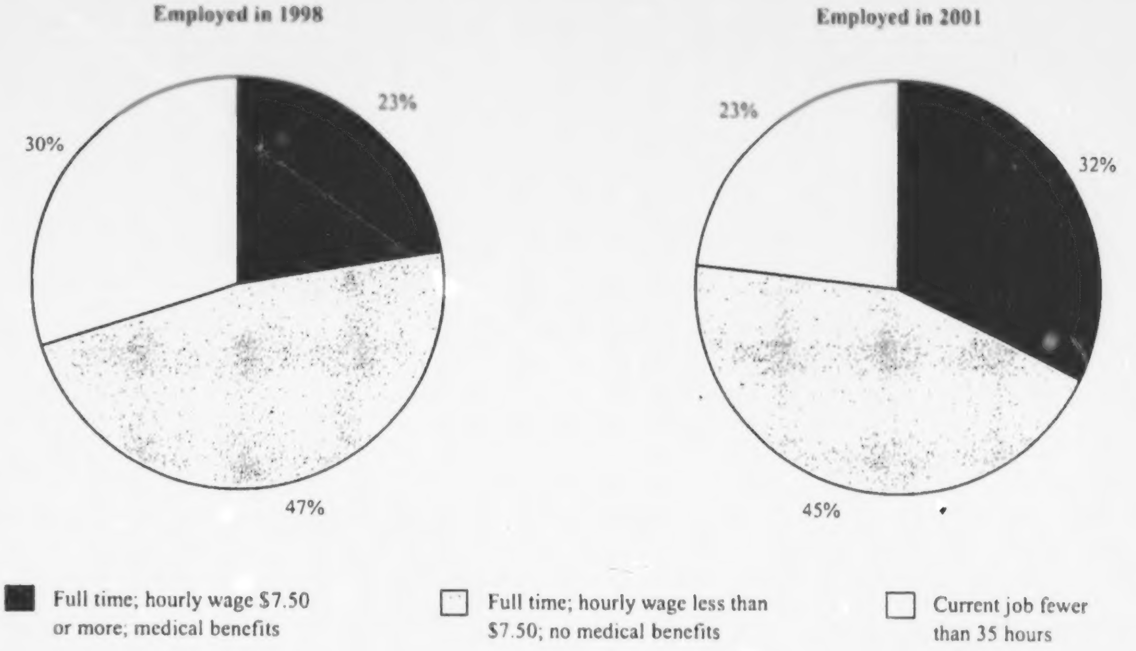
Figure 4.4

Job Characteristics for Those Currently Employed in 1998 and in 2001



SOURCE: MDRC calculations from the Urban Change Respondent Survey.

NOTES: Calculations for 1998 are based on 337 of the 371 respondents who were working for whom wage and benefit information was available. Calculations for 2001 are based on 461 of the 489 respondents who were working for whom wage and benefit information was available.

Ethnographic data, unlike survey data, also offer rich information about how these women felt about working. A few women had overwhelmingly positive views of their jobs and the impact that employment had on their families. These women (who had fairly high educational attainment) were employed in full-time jobs with benefits, earning wages well above minimum wage; they had moved quickly from welfare to work shortly after the study began in late 1998. Susan, for example, had two adolescent sons and was training as a medical assistant when welfare reform was implemented in Ohio. Because her children were teenagers and were, in her view, more "independent," Susan felt that she could manage full-time employment as a single parent. In the fall of 1998, she found a job as an assistant in a large medical practice and earned $9.23 per hour, which more than doubled her cash income. She got medical, dental, vacation, and retirement benefits, and her employer provided tuition benefits and allowed her some flexibility in her work schedule so she could take classes toward a four-year nursing degree. Susan felt that, on the whole, both she and her children had benefited by her move from welfare to work. The family was noticeably better off financially, and she said her sons liked the fact that she was working and felt better about themselves as a consequence.

More commonly, although women expressed a desire to work and believed that employment would improve their lives and the lives of their children, the reality of the jobs they were able to get proved discouraging. With low educational attainment, little work experience, and few job skills, most women (illustrated earlier by the stories of Sarah, Rochelle, and Maria) found jobs that paid only slightly above minimum wage and were often temporary. The women were concerned about their ability to support their families on such low wages, and they worried constantly about what would happen when they lost Medicaid (for some women, despite transitional benefits, that had already happened). They also worried about the effect that their irregular schedules were having on their family life and their children's well-being.[26]

Advancement and Wage Growth

The preceding discussion of changes in survey respondents' job characteristics over time does not provide information about advancement and wage growth, because the pool of working women was not identical in the two time periods studied. To examine wage growth and improvements in employment situations from 1998 to 2001, the current or most recent jobs of the 535 women who held jobs in both survey rounds were compared. As Table 4.1 shows, most women were in full-time jobs at both interview waves. There was a significant decline in part-time work, from 32 percent in 1998 to 23 percent in 2001. Over time, wages as well as hours increased. Average hourly wages at the 2001 interview were $8.70 (up significantly from

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[26] Mothers' feelings about work and their experiences juggling low-wage work and family responsibilities — based on data from the ethnography — are discussed further in Scott, Edin, London, and Mazelis (2001); London, Scott, Edin, and Hunter (2001); and Scott, Edin, London, and Kissane (2001).

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Table 4.1

Change in Job Characteristics of Current/Most Recent Job Among Survey Respondents Who Had Held Jobs in Both Survey Periods[a]

Outcome	First Interview (1998)	Second Interview (2001)	Difference	1998 to 2001 Change (%) Increase	Decrease	No Change
Median weekly work hours, current/most recent job	40.0	40.0				
Average weekly work hours, current/most recent job	36.2	38.3	2.1 **	40.7	29.2	30.1
Works/worked fewer than 35 hours (%)	31.9	22.9	-9.0 ***	12.1	21.1	66.9
Works/worked 35 or more hours (%)	68.1	77.1	9.0 ***	21.1	12.1	66.9
Median hourly wage, current/most recent job ($)	6.75	8.00				
Average hourly wage, current/most recent job ($)	7.19	8.68	1.49 ***	73.2	24.8	2.0
Hourly wage less than or equal to $5.15 (%)	16.6	6.2	-10.4 ***	3.8	14.2	82.0
Hourly wage $5.16 to $7.49 (%)	46.1	30.6	-15.5 ***	12.2	27.7	60.1
Hourly wage $7.50 to $9.99 (%)	24.6	36.1	11.5 ***	27.5	16.0	56.5
Hourly wage $10.00 or more (%)	12.6	27.1	14.4 ***	18.6	4.2	77.2
Median weekly earnings, current/most recent job ($)	240.00	304.00				
Average weekly earnings, current/most recent job ($)	260.15	333.09	72.94 ***	71.6	27.9	0.5
Weekly earnings less than $250 (%)	53.4	27.0	-26.4 ***	8.3	34.7	57.0
Weekly earnings $250-$400 (%)	33.8	49.8	16.0 ***	30.4	14.4	55.2
Weekly earnings greater than $400 (%)	12.8	23.2	10.4 ***	14.6	4.3	81.1
Job has/had:						
Sick days with pay (%)[b]	29.9	40.9	10.9 ***	20.2	9.2	70.6
Paid vacation (%)[b]	39.0	53.0	14.0 ***	25.0	10.9	64.1
Medical benefits for self (%)[b]	33.3	39.6	6.3 *	19.4	13.1	67.4
Medical benefits for children (%)[b]	28.8	32.6	3.8	17.5	13.7	68.8
Tuition/training benefits (%)[b]	20.5	28.1	7.6 ***	16.8	9.2	74.1
None of above 5 benefits (%)[b]	53.3	41.2	-12.1 ***	11.5	23.6	64.8
Sample size	535	535				

(continued)

141

Table 4.1 (continued)

SOURCE: MDRC calculations from the Urban Change Respondent Survey.

NOTES: [a]Sample size is 535 respondents (out of 689) for those currently or recently employed in 1998 and 2001.

[b]Self-employed women are assumed not to have these benefits. There were 37 (6.92 percent) respondents who were self-employed in 1998; there were 41 (7.66 percent) respondents who were self-employed in 2001; and there were 7 (1.31 percent) respondents who were self-employed in both survey periods. Also, there were 3 (0.56 percent) respondents who worked for an employer and were self-employed in 2001.

$7.20 in 1998) — a $1.50 per hour increase that is greater than the rate of inflation over the three-year period. By the time of the final interview, only 6 percent of these women were in jobs that paid at or below the minimum wage. By contrast, some 27 percent of these workers were paid $10.00 per hour or more in 2001 (up from 13 percent in 1998). Nevertheless, although most women saw an increase in their hourly wages over the three-year period, one out of four saw their hourly wages decline, perhaps reflecting the type of wage instability observed among ethnographic respondents.

The combined effects of increased hours and increased wages resulted in significantly higher average weekly wages, growing from $260 in 1998 to $333 in 2001 — a 28 percent average increase.[27] More than half the women in 1998 had weekly earnings under $250, but only one in four in 2001 reported such low earnings. The percentage of women earning more than $400 weekly nearly doubled over the three-year period, from 13 percent to 23 percent. Of note, however, is that although most women experienced earnings growth, some 28 percent of them earned less in 2001 than in 1998.

There were also improvements with regard to fringe benefits. Table 4.1 shows that the percentage increased for all five of the benefits considered (sick pay, vacation, health insurance for self and children, and tuition benefits). More than half the women had been in jobs with *none* of these benefits in 1998, compared with 41 percent in 2001. It is, however, noteworthy that some women lost benefits — and that medical benefits for self and children were the ones they were especially likely to lose. Some 13 percent of the women who had had a job with health insurance in 1998 were in jobs without this benefit in 2001.[28]

Barriers and Challenges to Employment

A major concern of both advocates for the poor and program staff working with them is that poor women with childrearing responsibilities often have characteristics and circumstances that make it difficult for them to find and sustain employment. These characteristics, often called "barriers to employment," include parental responsibilities that can compete with work (for example, having very young or many children), poor physical or mental health, children's health problems, inadequate skills or credentials, and certain behaviors (such as drug use). There is growing evidence that such barriers and challenges often co-occur among poor women and that having multiple barriers is especially detrimental to employment.[29] This section explores whether such barriers lessened or increased among the survey sample over time and the relationships between barriers and actual employment.

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[27] Weekly earnings also increased significantly over time for the entire sample of women, that is, including women who were not working in one or the other time period and therefore had zero earnings. At the first interview in 1998, the average weekly earnings for *all* 689 women was $199.70; at the second interview in 2001, the average weekly earnings had increased to $299.90.

[28] Among women who lost health benefits, however, more than half had taken jobs with higher wages. Some women may thus have "traded" health insurance for a bigger paycheck.

Changes in Barriers and Challenges Over Time

Table 4.2 presents information about some employment barriers and challenges that women in the survey sample in Cuyahoga County faced in 1998 and 2001. As this table shows, there were several ways in which barriers eased over time, but one indicator got worse.

On the positive side, there was a significant decrease over time in the percentage of women who lacked a high school diploma or GED certificate. Only 33 percent were without a basic education credential in 2001, compared with 42 percent in 1998 (and down from 45 percent in May 1995). Thus, much of the increase in having a diploma or GED occurred after 1998, that is, after welfare reform instituted requirements for participation in employment-relevant activities. As noted in Chapter 2, Cuyahoga County's Self-Sufficiency Coaches encouraged educational activities among welfare recipients who lacked a high school credential, and such activities counted toward participation requirements.

As Table 4.2 shows, there was no significant change in the percentage of women who had to care for three or more children between 1998 and 2001, but there was a significant decline (from 55 percent to 39 percent) in the percentage of women caring for preschool-age children. This is consistent with the aging of the sample, but it also indicates relatively few new births. Only 5 percent of the women gained a preschool-age child, while some 21 percent had a youngest child who turned 6 during the three-year period.

As their children aged, however, these women increasingly had to contend with problems of another sort — problems that can play a role in women's ability to maintain jobs that have limited flexibility. There was a significant increase in the percentage of women who reported that at least one of their children had special needs or behavioral problems (for example, getting suspended or expelled from school or being in trouble with the police). Even in 1998, nearly half the women had children who had had such problems, and this was true for 60 percent of the women in 2001.

Although children's aging was likely responsible for some of this increase, several ethnographic respondents specifically attributed their children's academic and behavior problems to the fact that they were no longer at home with them. This was especially true for mothers with older children. For example, Gayle (a 41-year-old white woman with a 13-year-old daugh-

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[29] See, for example, Danziger, Corcoran, Danziger, and Heflin, 2000; Polit et al., 2001; and London, Scott, and Hunter, Forthcoming.

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Table 4.2

Changes in Employment Barriers/Challenges of Survey Respondents Between 1998 and 2001 Interviews

Outcome (%)	First Interview (1998)	Second Interview (2001)	Difference	1998 to 2001 Change (%) Increase/Gain	Decrease/Loss	No Change
Has no diploma or GED[a]	42.0	33.3	-8.7 ***	0.0	8.7	91.3
Unable to converse in English	1.2	1.3	0.1	0.1	0.0	99.9
Has 3 or more children at home	42.7	43.5	0.9	7.3	6.4	86.4
Youngest child under age 6	54.9	39.1	-15.8 ***	4.7	20.5	74.8
Has 1 or more children with an illness or disability that constrains work	20.5	21.8	1.3	10.6	9.3	80.1
Has 1 or more children with special needs or behavior problems[b]	48.4	59.5	11.1 ***	19.3	8.2	72.5
Has a health problem that limits ability to work	22.6	20.1	-2.5	8.2	10.6	81.2
Is at high risk of depression[c]	23.5	22.9	-0.6	10.9	11.5	77.6
Has been physically abused, prior 12 months[d]	8.8	7.4	-1.4	6.1	7.5	86.4
Used a hard drug, past month	1.3	2.2	1.0	2.1	1.1	96.8
Has been homeless, past 12 months	1.2	0.1	-1.0 **	0.0	1.0	99.0
Multiple challenges[e]						
Average number of challenges	2.6	2.4	-0.1 **	28.6	36.9	34.5
None	4.6	9.9	5.2 ***	8.0	2.8	89.3
1-2	46.7	44.1	-2.6	14.9	17.6	67.5
3 or more	48.6	46.0	-2.6	11.3	13.9	74.7
Sample size	689	689				

(continued)

Table 4.2 (continued)

SOURCE: MDRC calculations from the Urban Change Respondent Survey.

NOTES: [a]The 15 cases who said they had a GED in 1998 but said they did not have a GED in 2001 were dropped.

[b]This index includes respondent's children who had special needs, were ever suspended or expelled from school, or were ever in trouble with the police.

[c]Risk of depression was assessed utilizing standard criteria for the Center for Epidemiological Studies-Depression (CES-D) scale. CES-D scores range from 0 to 60. Women with scores of 23 or higher on the CES-D scale were considered at high risk of depression.

[d]Respondent reported she was hit, slapped, kicked, or otherwise physically harmed during the 12 months prior to the interview.

[e]The 11 challenges that were counted included: no high school diploma or GED, unable to converse in English, has three or more children, youngest child under age 6, has 1+ child with an illness/disability affecting ability to work, has a child with special needs or behavior problems, has a health condition that limits ability to work, at high risk of depression, has been physically abused in past 12 months, used a hard drug in the past month, was homeless in past 12 months.

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ter) had relied on her daughter Susan's paternal grandfather for child care for several years, but after his death when Susan was 12, she began to rely increasingly on Susan's ability to care for herself. Gayle at that point worked in a factory earning $7.50 per hour without health benefits. She had to be at work before her daughter woke up, and so there was no one to monitor whether Susan got up and went to school. Gayle said, "I just gotta trust what she's doing. She's intelligent enough not to do nothing wrong, while she is at home alone." However, her daughter began to get in trouble in school, in terms of both grades and attendance. Gayle felt that if she were home, her daughter would be in school every day. She said, "The city or the county or whoever, you know, they want all people to work. I can't be in two places at one time. I can't be watching her and making sure she's at school and be out there workin'."

Among survey respondents, a barrier that improved over time was homelessness. At the time of the 1998 interview, 1.2 percent of these women had had at least one episode of homelessness in the prior 12 months; but at the 2001 interview, only one woman (0.1 percent) had experienced homeless in the prior year. Although both these percentages are small, the trend is not consistent with the hypothesis that welfare reform would cause a rise in homelessness among women who had been on cash assistance.[30]

For most employment barriers reported in the survey, rates were similar over time and, typically, were fairly high. For example, one out of five women in both 1998 and 2001 had a child with a health problem that made it difficult for the mother to work.[31] A similar picture emerged with regard to the women's own health problems and also with being at high risk of clinical depression. About 20 percent of the sample at both interviews reported these two problems.[32]

Two barriers of special concern among advocates for the "hard to employ" are drug use and domestic violence. In this sample, the reported rates of these problems are fairly low and did not change over time. Less than 10 percent of the women at either interview reported that they had been physically abused in the prior 12 months.[33] Small percentages of women at either interview acknowledged having used a hard drug — 1 percent in 1998 and 2 percent in 2001. The increase in drug use between interviews is not statistically significant, but it is noteworthy that almost all cases of hard-drug use in 2001 were "new" (that is, women who did not report using hard drugs in 1998).

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[30] It is, however, impossible to know whether some homelessness went undetected because of failure to locate (and thus interview) homeless women.

[31] For additional ethnographic data on the experience of welfare-reliant women who were caring for children with chronic health problems or disabilities, see London, Scott, Edin, and Hunter (2001).

[32] All health problems were self-reported and were not independently verified. It is worth noting, however, that there is evidence from the ethnographic data that, if anything, these women tended to underplay and underreport health problems (Polit, London, and Martinez, 2001).

[33] Although relatively few women reported a recent experience with physical abuse, about one-third (32 percent) admitted that they had been physically abused at some point in their lives. Still, this rate is much lower than that found in other studies, in which about 60 percent of welfare recipients reported past abuse (Raphael, 1999).

A summary index of the 11 employment barriers was created to determine the extent to which barriers co-occurred. Table 4.2 shows that the average number of barriers declined significantly over time, from 2.6 in 1998 to 2.4 in 2001. The number of barriers declined for over one-third of the women; however, one-third also faced the same number of barriers, and 29 percent actually had more barriers at the second interview. Moreover, the number of barriers that these women faced remained high. Only one out of ten women had none of these impediments in 2001, while nearly half had three barriers or more.

Barriers and Employment Experiences

To what extent were the foregoing characteristics and circumstances actually "barriers" that interfered with respondents' employment, rather than hardships with which working women had to contend? Table 4.3 presents employment barriers and challenges according to whether the women were working or not at the 2001 interview. Many of the group differences shown in this table are sizable and significant.

Women who were not working at the time of the 2001 interview were nearly twice as likely not to have a diploma or GED as those who were employed (28 percent versus 49 percent). Those without a job were also more likely to have more complex parenting responsibilities: The majority were caring for three or more children, and more than half still had a preschool-age child at home. Although nonworking women were no more likely than the employed women to have a sick or disabled child at home,[34] they were nearly three times more likely to report a personal health problem (33 percent versus 12 percent, respectively). Compared with working women, nonworkers were also significantly more likely to be at high risk of clinical depression, more likely to have been physically abused, and more likely to have used a hard drug in the past month. Women who were not working were about twice as likely to report that they had had a criminal conviction at some point in their lives.[35] Some barriers did not, however, differentiate workers and nonworkers in this sample. For example, women who were

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[34] However, these survey data do not take into account the *severity* of children's health problems. Ethnographic data illustrate that some of the nonworking women had children with extreme health problems. For example, Wendy (who herself also had health problems) had a son who, by age 10, had been diagnosed with attention deficit disorder, bipolar disorder, schizophrenia, and posttraumatic stress disorder. He had threatened to kill Wendy, played with fire, harmed himself by banging his head against walls and doors, talked of killing himself, and run away repeatedly. Caring for her son made it very difficult for Wendy to take or keep a job. She did not trust others to care for him and did not believe that she could find someone willing to do so: "Even the county providers do not take children like [him]. They will not be responsible for his medication. And he's on such powerful drugs . . . so, no I can't trust just anybody with them."

[35] The list of employment barriers in Table 4.3 is more extensive than in Table 4.2 (which compares barriers in 1998 and 2001) because questions about several barriers were added to the 2001 interview.

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Table 4.3

Employment Barriers/Challenges of Survey Respondents at 2001 Interview, by Employment Status in 2001

Outcome (%)	Full Sample	Employed in 2001[a]	Not Employed in 2001	P-Value for Difference Between Groups
Has no diploma or GED	34.4	27.8	49.4	0.000 ***
Unable to converse in English	1.3	1.2	0.6	0.535
Has 3 or more children at home	43.5	39.7	57.7	0.000 ***
Youngest child under age 6	39.0	35.5	53.9	0.000 ***
No access to a vehicle, or no valid license	47.8	40.3	64.5	0.000 ***
Has 1 or more children with an illness or disability that constrains work	21.6	19.3	23.4	0.290
Has 1 or more children with special needs or behavior problems[b]	56.5	54.5	61.3	0.141
Has caretaking responsibility for other sick/frail person	7.6	7.6	7.8	0.910
Has a health problem that limits ability to work	20.1	11.5	32.9	0.000 ***
Is at high risk of depression[c]	23.6	19.2	34.0	0.000 ***
Has been physically abused, prior 12 months[d]	7.4	5.8	13.1	0.004 **
Used a hard drug, past month	2.3	1.1	4.7	0.005 **
Has had a criminal conviction	6.2	4.9	9.4	0.043 *
Has been homeless, past 12 months	0.1	0.0	0.6	0.078
Multiple challenges[e]				
Average number of challenges	2.4	2.1	3.2	0.000 ***
None	9.9	13.1	2.6	0.000 ***
1-2	44.1	49.9	30.1	0.000 ***
3 or more	46.0	37.0	67.3	0.000 ***
Sample size	689	489	156	

(continued)

Table 4.3 (continued)

SOURCE: MDRC calculations from the Urban Change Respondent Survey.

NOTES: The numbers shown are not statistically adjusted. Analysis of variance and chi-squared tests were applied to test the significance of group differences. Statistical significance levels are indicated as * (.05), ** (.01), *** (.001).

[a] There are 44 respondents who are missing employment information.

[b] This index includes respondent's children who had special needs, were ever suspended or expelled from school, or were ever in trouble with the police.

[c] Risk of depression was assessed utilizing standard criteria for the Center for Epidemiological Studies-Depression (CES-D) scale. CES-D scores range from 0 to 60. Women with scores of 23 or higher on the CES-D scale were considered at high risk of depression.

[d] Respondent reported she was hit, slapped, kicked, or otherwise physically harmed during the 12 months prior to the interview.

[e] The 11 challenges that were counted included: no high school diploma or GED, unable to converse in English, has three or more children, youngest child under age 6, has 1+ child with an illness/disability affecting ability to work, has a child with special needs or behavior problems, has a health condition that limits ability to work, at high risk of depression, has been physically abused in past 12 months, used a hard drug in the past month, was homeless in past 12 months.

not working were no more likely than those who were working to have responsibility for the care of a sick or frail person other than a child; and both groups of women had similarly high rates of behavior problems with at least one of their children.

Having multiple employment barriers was far more common among nonworkers than among the employed. Two-thirds of those not working had three or more barriers, compared with about one-third of the women who worked. At the other extreme, 13 percent of the employed women had no barriers, but only 3 percent of the nonworking women had none. Still, it is noteworthy that many women who worked did so despite having circumstances that made their employment difficult or that might constrain the kinds of jobs they could get.

Many ethnographic respondents had multiple barriers that played a role in their ability to find or sustain employment — but, as in the survey, the "barriers" were often hardships that made their lives more complex and more onerous rather than making work impossible. This is exemplified by Karen, an African-American woman with a history of having been abused and the mother of three school-age children. Karen earned a GED certificate during the study period but found that she could most easily find factory work. Early in the study, she began to have health problems, which cost her one of her factory jobs because her employer was unwilling to give her time off during a short hospitalization. She then learned that she had multiple sclerosis. She applied for SSI but was not approved, so she continued to work, off and on, despite her health problems. During this period, her children began failing in school, which she attributed to her absence from the home. Problems with her children persisted and worsened, and then her 13-year-old was diagnosed with attention deficit disorder, further complicating her employment situation. Karen needed to work, however, because she had hit the time limit and no longer got cash assistance from welfare.

Employment Experiences of Vulnerable Groups

The employment data thus far suggest some modestly good news for the survey sample as a whole: Most women were working, and most work situations had improved over time. Aggregate numbers and averages can, however, mask the experiences of different groups of women, as Karen's story above suggests. Thus, it is important to see whether some groups of women were "left behind" or had experiences that worsened over time. This section briefly summarizes outcomes for groups of women who were considered especially vulnerable to adverse outcomes.

There are various ways of defining vulnerable groups. One approach is to define vulnerability in terms of respondents' experiences in relation to the time-limit cutoff of cash assistance — that is, whether they had time-limited terminations or were at risk of hitting the time limit. Table 4.4 summarizes the characteristics of the survey sample in May 1995 (based mainly

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Table 4.4

Demographic Characteristics of Survey Sample at Baseline (May 1995), by Time-Limit Risk Group in 2001

Characteristic	All Women in Survey Sample	Reached Time Limit and Was Cut Off	At Risk of Being Cut Off[a]	Not at Risk of Being Cut Off[a]	P-Value for Difference Between Groups
Average age	29.8	28.5	28.6	30.4	0.005 **
African-American (%)	80.0	89.3	89.3	75.2	0.000 ***
White (%)	11.1	3.9	9.2	13.3	0.017 *
Hispanic (%)	7.4	2.9	1.5	10.2	0.001 ***
Other (%)	1.5	3.9	0.0	1.3	0.045 *
Number of children	2.6	3.2	2.6	2.4	0.000 ***
Average age of youngest child[b]	4.9	3.4	4.1	5.5	0.000 ***
Had a high school diploma or GED (%)	54.9	36.9	45.5	61.7	0.000 ***
Had UI earnings, April 1994-March 1995 (%)	46.4	42.7	39.4	49.3	0.094
Mean number of months on welfare, 7/92 to 5/95	28.8	31.1	29.6	28.1	0.004 **
1-6 months (%)	3.6	1.9	3.8	4.0	0.609
7-17 months (%)	11.2	7.8	6.8	13.2	0.060
18 or more months (%)	85.2	90.3	89.4	82.8	0.050 *
Faced multiple barriers at baseline (5/95)[c]	24.7	36.9	31.8	19.8	0.000 ***
Sample size	689	103	132	454	

SOURCE: MDRC calculations from the Urban Change Respondent Survey.

NOTES: The numbers shown are not statistically adjusted. Analysis of variance and chi-squared tests were applied to test the significance of group differences. Statistical significance levels are indicated as * (.05), ** (.01), *** (.001).

[a] At risk of being cut off is defined as persons receiving 24 or more months of cash assistance between October 1997 and date of 2001 interview, according to administrative records. Not at risk of being cut off is defined as persons receiving fewer than 24 months of cash assistance since October 1997, according to administrative records.

[b] Average age of youngest child is calculated using date of birth of children living inside as well as children living outside the household.

[c] Women who had the following three barriers: did not have a diploma or GED, had no UI earnings in the prior year, and had been on welfare for at least 18 of the preceding 24 months.

on data from administrative records) in relation to the women's risk of being terminated at the time of the 2001 interview. A total of 103 women (15 percent of the sample) had exhausted 36 months of benefits and had been terminated from cash welfare assistance. Another 132 women (19 percent) were considered at risk of termination because they had fewer than 12 months of benefits left on their clocks. The remaining 66 percent of the sample were considered not at risk of time-limited terminations (indeed, most were no longer getting cash benefits).

Table 4.4 shows that both the at-risk and the terminated groups (especially the latter) were more disadvantaged than other women at baseline, that is, before OWF. Women in both groups were less likely than other women to have a diploma or GED; they had more children, despite the fact that they themselves were younger; they had younger children; they were more likely to be African-American; and they were more likely to have been long-term cash welfare recipients. These findings are almost totally consistent with those reported in the recent study of time-limited welfare leavers in Cuyahoga County.[36]

The bottom row of Table 4.4 shows the percentages in the three risk groups who faced three key barriers in 1995: They did not have a diploma, had no UI earnings in the prior year, and had been on welfare at least 18 of the preceding 24 months.[37] Overall, one out of four women in the sample fit this prospective definition of vulnerability. Significantly more (over one-third) of the terminated women than other women had these three barriers at baseline. Still, it is noteworthy that the three baseline characteristics were not especially powerful predictors of who would hit the time limit: Of the 170 women in the sample with these three barriers in 1995, only 38 (22 percent) were cut off because they had used up 36 months of welfare benefits (not shown). Thus, other factors in these women's lives apparently contributed to their time-limited terminations.

Table 4.5 summarizes selected employment patterns, experiences, and challenges of women with different risks of termination from welfare.[38] Not surprisingly, terminated and at-risk women had worked in fewer months than other women in the sample. Nevertheless, it is noteworthy that most terminated women (96 percent) *had* worked for pay; on average, they had worked in 18 of the 48 months prior to their 2001 interview. The fact that terminated women

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[36] Bania et al., 2001. The one discrepancy is that, in the study by Bania et al., time-limited leavers were significantly older than other leavers, whereas terminated women in the present study were, on average, younger than others.

[37] These three indicators have been used in numerous experimental studies to create subgroups with high levels of disadvantage (for example, Michalopoulos and Schwartz, 2000).

[38] "Vulnerability" can also be defined prospectively in terms of initial barriers to employment. The work experiences of women with three employment barriers at baseline (May 1995) were also examined. This "vulnerable group" had less stable employment and worked at less desirable jobs (for example, for lower wages) than the overall sample, but their situations were better than the subgroup of women who had hit the time limit.

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Table 4.5

Selected Employment Experiences and Challenges, by Time-Limit Risk Group

Outcome	All Women in Survey Sample	Reached Time Limit and Was Cut Off	At Risk of Being Cut Off[a]	Not at Risk of Being Cut Off[a]	P-Value for Difference Between Groups
Average number of months in which employed, 48 months before 2001 interview	27.4	18.0	20.6	31.5	0.000 ***
Average number of jobs held, 48 months before 2001 interview	2.9	2.8	2.9	3.0	0.804
Held 0 jobs (%)	5.5	3.9	6.1	5.7	0.727
Held 3+ jobs (%)	51.2	47.6	47.0	53.3	0.319
Working at time of 2001 interview (%)	71.0	59.2	59.8	76.9	0.000 ***
Neither working nor on welfare at 2001 interview (%)	20.2	38.8	22.7	15.2	0.000 ***
Among those who had ever worked in 48 months before 2001 interview: Characteristics of current/most recent job					
Average weekly work hours	38.2	36.4	36.7	38.8	0.147
Average hourly wage ($)	8.67	7.31	7.72	9.14	0.000 ***
Average weekly earnings ($)	331.13	257.32	279.67	355.78	0.000 ***
Job has/had medical benefits for self (%)	44.0	14.3	33.3	50.9	0.000 ***
Selected challenges to employment, 2001 interview					
Has no diploma/GED (%)	34.4	46.6	43.2	29.1	0.000 ***
Has 1+ child with illness/disability (%)	21.8	32.4	24.2	18.4	0.007 **
Has health problems that limit ability to work (%)	20.1	24.3	22.3	18.5	0.335
At high risk of depression[b] (%)	22.9	24.0	22.2	22.8	0.953
Has been physically abused[c] (%)	7.4	9.8	6.0	7.2	0.572
Used a hard drug in past month (%)	2.2	4.2	2.5	1.7	0.335

(continued)

Table 4.5 (continued)

Outcome	All Women in Survey Sample	Reached Time Limit and Was Cut Off	At Risk of Being Cut Off[a]	Not at Risk of Being Cut Off[a]	P-Value for Difference Between Groups
Multiple challenges[d]					
Average number of challenges	2.4	3.3	2.7	2.2	0.000 ***
None (%)	9.9	2.9	6.1	12.6	0.003 **
1-2 (%)	44.1	27.2	38.6	49.6	0.000 ***
3 or more (%)	46.0	69.9	55.3	37.9	0.000 ***
Sample size	689	103	132	454	

SOURCE: MDRC calculations from the Urban Change Respondent Survey.

NOTES: The numbers shown are not statistically adjusted. Analysis of variance and chi-squared tests were applied to test the significance of group differences. Statistical significance levels are indicated as * (.05), ** (.01), *** (.001).

[a] At risk of being cut off is defined as persons receiving 24 or more months of cash assistance between October 1997 and the date of the 2001 interview, according to administrative records. Not at risk of being cut off is defined as persons receiving fewer than 24 months of cash assistance since October 1997, according to administrative records.

[b] Risk of depression was assessed utilizing standard criteria for the Center for Epidemiological Studies-Depression (CES-D) scale. CES-D scores range from 0 to 60. Women with scores of 23 or higher on the CES-D scale were considered at high risk of depression.

[c] Respondent reported she was hit, slapped, kicked, or otherwise physically harmed during the 12 months prior to the interview.

[d] The 11 challenges that were counted included: no high school diploma or GED, unable to converse in English, has three or more children, youngest child under age 6, has 1+ child with an illness/disability affecting ability to work, has a child with special needs or behavior problems, has a health condition that limits ability to work, at high risk of depression, has been physically abused in past 12 months, used a hard drug in the past month, was homeless in past 12 months.

had held just as many jobs as other women (three, on average) without accruing as many months of employment suggests that these women had typically held a series of short-term jobs.

Regardless of group, most women worked full time in their current or most recent job, but those who had been terminated or were at risk of termination had significantly less favorable jobs than women who were not at risk. For example, the hourly wage was $7.31 for terminated women, compared with $9.14 for those with ample time left on their clocks; this translates to nearly $100 a week difference in weekly earnings ($257 for terminated women and $356 for those not at risk).[39] And whereas half the women not at risk were in jobs with health insurance, only 14 percent of the terminated women had this benefit in current or recent jobs.

Although the employment outcomes of terminated and at-risk women were not as good as those of other women, it should be noted that the situations of all three groups generally improved over time. For example, among women in the two vulnerable subgroups who reported employment at both interviews, average earnings grew from $199 at the 1998 interview to $278 at the 2001 interview.[40] Some 82 percent of these vulnerable women experienced a growth in earnings (not shown).

Both the survey and the ethnographic data indicate, however, that some terminated women ended up having neither a paycheck nor a welfare check. In the survey, terminated women (as well as at-risk women) were less likely to be working at the time of the 2001interview (about 60 percent in each group were working) in comparison with women not at risk of hitting the time limit (77 percent). As a result, nearly 40 percent of the terminated women had neither wages nor welfare benefits as a source of income when they were interviewed in 2001.

Jackie, an ethnographic respondent, represents a particularly unfortunate case of a woman who had neither source of income. A mother of three, Jackie was 48 at the final interview. She had had a number of jobs over the study period, mostly brief and "under the table," and had been compliant with the welfare agency's work mandate (although she had experienced sanctions for several reporting infractions). Jackie took job classes and did volunteer labor for six months, mopping floors through Cleveland Job Works. She tried but failed to get a GED; she also took a training program to become a nurse's assistant. However, she had a history of serious physical and mental health problems, including depression and drug and alcohol abuse. Jackie worried about the time limits. In the third interview, she said: "I'm distraught as hell. 'Cause I don't know what the hell I'm gonna do. It's like starting over, like beginning. I'm beginning again and I'm almost 50 years old. And I'm in the job market and I don't have a degree. I ain't got nothing." Jackie was cut off of cash benefits in October 2000. To make ends meet, she did washing and ironing in her house until the landlord asked her to stop because the water bill had gotten too high. She then resorted to trading sex for money. Although Jackie represents an extreme or "worst-case" scenario, her story nevertheless raises concerns.

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[39] Having such low-wage jobs likely qualified these women who were terminated for partial welfare checks that contributed to their having exhausted 36 months of benefits.

[40] Average earnings for *all* women in these two subgroups (including those who had not worked and whose earnings were zero) rose from $136.40 in 1998 to $275.10 in 2001 — a highly significant difference.

Jackie's story also illustrates that employment barriers tend to be complex and high in number among women who have been terminated from cash benefits, as indicated in Table 4.5. Of particular note is that one-third of the terminated women had one or more child with an illness or disability that they said demanded a lot of their attention and made it difficult for them to work, compared with 24 percent among those at risk and 18 percent among those not at risk of termination. Terminated women were only slightly (and not significantly) more likely than other women to say that a personal health problem constrained their employment.[41] The three groups were also similar in terms of several other barriers, such as depression, physical abuse, and drug use. This suggests that welfare reform policies likely did not *create* or exacerbate problems such as depression and drug use among these vulnerable women. Indeed, in looking at these barriers over time among terminated women, considerable stability was found. For example, the percentage of terminated women who were at high risk of depression was 21 percent in 1998 and 24 percent in 2001, a nonsignificant change. The rate of physical abuse was 10 percent at both interviews (not shown).

Table 4.5 shows that far more terminated and at-risk women lacked a high school diploma or GED at the time of the 2001 interview than women not at risk. A comparison of Tables 4.4 and 4.5 indicates, though, that substantial percentages of women in all three groups (but especially the terminated group) acquired a diploma or GED between 1995 and 2001. The rate of not having a diploma declined from 63 percent to 47 percent among terminated women; from 55 percent to 43 percent among the at-risk group; and from 38 percent to 29 percent among those not at risk. The decline among terminated women is statistically significant.

Overall, women who had been cut off had significantly more employment barriers at the time of the final interview than other women. Only 3 percent of these women had none of the 11 challenges, compared with 13 percent among women not at risk. A full 70 percent of terminated women faced three or more challenges. Moreover, unlike other women in the survey sample, who experienced a significant decline in barriers over time (Table 4.2), women who were terminated from cash welfare because of the time clock had *exactly* the same average number of employment barriers in 2001 as in 1998 (3.3; not shown).

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[41] In the study of Cleveland welfare leavers (Bania et al., 2001), those who departed welfare because of the time limit were significantly more likely than earlier leavers to report a disability or health problem that limited their employment, but there were no differences with regard to having a sick or disabled child.

In summary, similar to what has been reported in the previously mentioned study of time-limited welfare leavers in Cuyahoga County,[42] the Urban Change survey data indicate that those who were terminated as a result of hitting the time limit had less favorable employment outcomes than other former recipients. It must be cautioned, however, that the data do not support the conclusion that time-limited terminations *caused* the women to have worse outcomes. The most plausible explanation for the findings in Table 4.5 is likely that women who were terminated because of the time clock differed in terms of important measured and unmeasured characteristics that can lead to greater need for cash support and less success in the labor market. Unlike many other women, their barriers to employment did not decline much over time.

Summary and Conclusions

The survey and ethnographic data indicate that employment behavior changed over time among women from very poor neighborhoods who were welfare recipients in the mid-1990s, with virtually all women having had spells of employment and few remaining on welfare. Some behavior change likely reflects the fact that, as these women aged and their children got older, they were better able to fit employment in with their parenting responsibilities. Some of the changed behavior undoubtedly resulted from the greater availability of jobs in the burgeoning economy of the late 1990s and, quite likely, the implementation of policies to support the working poor, such as the Earned Income Credit (EIC). It also seems plausible that changes in welfare policy, such as participation requirements and the 36-month time limit, may have contributed to the women's decisions to work and that numerous pro-employment forces were working in concert in Cuyahoga County.

Although the majority of these women who had been welfare recipients were able to find paid employment, the data offer a mixed picture of their success in the labor market. On the positive side, most women were working or had worked full time, mostly in jobs that paid above the minimum wage. Employment stability was higher than has been reported in other studies. Wages and employment earnings grew over time, both for the overall sample and for the women who had worked fairly continuously, indicating some degree of wage growth and advancement. Another positive finding is that a noteworthy number of women, including women who had hit the time limit, obtained a GED certificate during the study period. Nevertheless, substantial percentages of women were in jobs with earnings that, unless supplemented with other income, would leave them in poverty. Few had the kind of fringe benefits that could support their ability to be totally self-sufficient (for example, medical benefits) or their ability to easily integrate work into their childrearing responsibilities (for example, sick pay). These data suggest that sizable percentages of these women, who have essentially done what the welfare agency has expected of them, may need ongoing help from work support programs such as food stamps, Medicaid, the EIC, and child care subsidies.

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[42] Bania et al., 2001.

It is also important to recognize that the averages do not tell the entire story, because the sample of recipients — even though they were drawn from neighborhoods with similar levels of disadvantage — was far from homogeneous. The women least likely to be faring well in the labor force were women who had been terminated by the welfare agency — women who were typically burdened with a number of barriers that predated welfare reform (such as long periods of welfare dependency, limited education, and large families). The evidence does not necessarily suggest that most of them were *harmed* by welfare reform (although some might have been), but their ability to support themselves and their children remains far from certain. In the ethnographic sample, some women who had hit the time limit and had had trouble finding or keeping a job were in dire circumstances.

Indeed, the future is uncertain for large numbers of these women, who are now facing a much different economy than that of mid-2001. Jobs in low-skilled areas and temporary employment tend to be especially sensitive to economic downturns. Thus, it remains to be seen what will happen in the months ahead and whether substantial numbers of terminated women will return to welfare when they become eligible once again, beginning in October 2002.

Chapter 5

Economic Circumstances and Material Hardships: Findings from the Longitudinal Survey and Ethnography

One of the primary goals of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) is to reduce welfare dependency and promote self-sufficiency through work or greater reliance on family and other means of support. To achieve this goal, the policies of the cash assistance program in Ohio and Cuyahoga County were significantly reformed beginning in 1997 (see Chapter 2), within the context of a strong economy and record-low unemployment. The ways in which these changing policies and circumstances have played out in terms of women's and families' economic and material conditions are not yet well understood, although one ongoing study has contributed substantially to an evolving understanding of welfare reform in Cleveland.[1]

This chapter uses data from the Urban Change survey and ethnography (described in Chapter 4) to answer two broad questions regarding change in the economic well-being of low-income families during a period of economic growth and substantial welfare reform. First, how did economic circumstances and material hardships change over time among single-mother families who were welfare recipients before welfare reform? Second, what were the economic experiences and hardships of families who were especially vulnerable to the potentially adverse effects of welfare reform? The survey and ethnographic data cannot be used to draw causal inferences about the effects of welfare reform on respondents' economic circumstances. The data can, however, be used to describe whether positive, negative, mixed, or no changes occurred from 1998 to 2001. Such population-based descriptions are critically important because they help establish the range of possible effects that welfare reform might have.

Summary of Findings

- Sources of household income in Cuyahoga County changed substantially from 1998 to 2001, with a significant reduction in income from Ohio Works First (OWF) and significant increases in income from work, child support, and Supplemental Security Income (SSI). The use of food stamps and the Women, Infants, and Children (WIC) program declined significantly from 1998 to 2001, but utilization of Medicaid, subsidized housing, and emergency energy assistance remained unchanged and high.

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[1] See Bania et al., 2001; Coulton et al., 2001.

- For the survey sample as a whole, average total monthly income increased significantly between 1998 and 2001, from $1,358 to $1,771, and the percentage of households below the poverty threshold declined from 63 percent to 50 percent. However, four out of five households lived below 185 percent of poverty in 2001.
- There were significant improvements from 1998 to 2001 in several housing and health care hardships, and for only one indicator (unmet need for dental care) did hardships worsen for the survey sample as a whole. Food hardships were high and unchanged.
- Material hardships were common despite improvements in families' economic circumstances and continued reliance on many safety net programs. The ethnographic data indicate that the prevalence of hardships might be even higher in the absence of these women's efforts to prevent hardships in their families.
- Women whose cash welfare assistance was terminated because of the time limit were much poorer than other women in 2001. Despite being terminated, however, they were less likely to be in poverty in 2001 than in 1998.
- Although housing and food hardships were especially severe among women whose cash assistance was terminated, these women were less likely than others to report health care hardships. Women who were terminated from welfare had high rates of using safety net support, such as food stamps and Medicaid.

Respondents' Family and Economic Circumstances

Change over time in these women's and families' economic and material circumstances would be expected even in the absence of welfare reform or changes in the economy. Such change would occur as women and children age and change their behaviors, as marriages or other partnerships are contracted or end, and as women give birth to additional children or have children age-out or otherwise exit their households. Thus, to contextualize changes in respondents' economic and material circumstances, it is important to consider how the composition of their families and households changed over the course of the study.

Marriage, Childbearing, and Household Structure

When they were selected for the survey sample in May 1995, all the women were unmarried, according to the administrative records data, and, on average, they had 2.5 children in their households. Five to six years later, when they were interviewed in 2001, most of these women were never married (59 percent), and they were living with their children only (56 percent).

Approximately one in five women lived with a husband or partner and children but no other adult.[2] Overall, 13 percent of the women were currently married, and 28 percent were currently divorced, separated, or widowed. About one-third of the women had a birth after May 1995, while 2 percent were currently pregnant at the time of the 2001 interview. On average, households had 4.1 persons and 2.5 children.

Change in Income Sources Over Time

Household income and poverty status are key indicators of economic well-being that may change as a consequence of transitions from welfare to employment or other sources of support. As discussed in Chapter 4, approximately 88 percent of the women in the survey sample were welfare leavers in 2001. A recent review of findings from 15 welfare leaver studies funded by the Office of the Assistant Secretary for Planning and Evaluation (ASPE) reported that, 6 to 34 months after leaving welfare, 60-65 percent of former welfare recipients had income from their own earnings, 21 percent had income from another household members' earnings, 11-31 percent had income from child support, and 2-12 percent had income from SSI.[3]

Table 5.1 shows that the economic circumstances of the women in the Urban Change survey sample improved from 1998 to 2001. There were substantial and statistically significant changes in the composition of total household income, including a very large reduction in the percentage of households with income from OWF and increases in the percentage of households with income from work, child support, and SSI. There was no change from 1998 to 2001 in the percentage of families with no source of income in the month before the interview.

Overall, the percentage of households with OWF income in the month before the interview decreased from 52 percent in 1998 to 17 percent in 2001. It is noteworthy that a higher percentage of families received income from work than received income from OWF in 1998 (58 percent versus 52 percent) and that this differential increased substantially as the receipt of OWF declined and the percentage with income from work increased to 72 percent in 2001. The

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[2] This figure underrepresents the percentage of women living with a husband or partner, because some married or partnered couples were living in extended or otherwise nonnuclear living arrangements (for example, a woman who lives with her husband and kids and her husband's mother). Overall, approximately 30 percent of respondents in these other living arrangements were living with a spouse or partner.

[3] For a variety of reasons, not all 15 of the ASPE-funded leaver studies measured the same outcomes or used the same measurement instruments. Thus, there is substantial variability in the number of studies that provide data on each of the outcomes reported in this chapter (for details, see Acs and Loprest, 2001).

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Table 5.1

Changes in Income Sources, Use of Noncash Benefits, and Poverty Levels from 1998 to 2001

Outcome	First Interview (1998)	Second Interview (2001)	Difference	1998 to 2001 Change (%) Increase	Decrease	No Change
Sources of household income in prior month (%)						
TANF	52.0	17.0	-35.0 ***	6.0	40.9	53.1
Work	58.1	72.0	13.9 ***	25.1	11.2	63.7
Child support	9.3	19.4	10.2 ***	14.8	4.6	80.6
SSI	13.2	16.3	3.0 *	8.3	5.2	86.5
Other sources	1.6	2.9	1.3	2.6	1.3	96.1
No source of income	0.9	1.6	0.7	1.6	0.9	97.5
Noncash benefits used in prior month (%)						
Received food stamps	65.3	48.5	-16.8 ***	8.0	24.8	67.2
Received WIC	31.0	18.8	-12.2 ***	7.9	20.1	72.0
Received Medicaid for self	49.6	49.3	-0.3	17.9	18.2	63.9
Received Medicaid for any child	47.8	50.4	2.6	16.7	14.1	69.2
Living in subsidized housing	30.6	33.1	2.5	11.5	9.0	79.5
Received energy assistance	27.8	24.1	-3.7	12.9	16.6	70.5
Average total monthly household income ($)	1,358.37	1,771.46	413.09 ***	62.8	37.0	0.2
Percentage below official poverty line	63.0	49.6	-13.4 ***	12.2	25.7	62.1
Percentage below 185% of official poverty line	90.1	82.4	-7.7 ***	5.1	12.7	82.2
Sample size	689	689				

SOURCE: MDRC calculations from the Urban Change Respondent Survey.

NOTES: The numbers shown are not statistically adjusted. Analysis of variance and chi-squared tests were applied to test the significance of group differences. Statistical significance levels are indicated as * (.05), ** (.01), *** (.001).

Rounding may cause slight discrepancies in calculating sums and differences.

percentage of households with child support income increased from 9 percent in 1998 to 19 percent in 2001, while the percentage with income from SSI increased from 13 percent to 16 percent. The observed increase in child support receipt might reflect increased efforts to identify paternity and enforce child support orders in the welfare offices, possibly resulting in more child support payments to families once they had left cash assistance (see Chapter 2 for a discussion of the policy). Despite the increase in the percentage of households receiving child support, only one in five of these mostly single-mother households received any child support. The increase in the percentage of households receiving SSI disability income may reflect the efforts of self-sufficiency coaches to make sure that women who were approaching the time limit got moved onto SSI if they or someone in their family had a serious and disabling health condition.[4]

These changes in income sources are consistent with changes that would be expected if welfare reform policies had their intended effects, and some part of the observed changes may be attributable to the various welfare-to-work, diversion, and child support enforcement initiatives implemented in Cuyahoga County. However, as noted previously, patterns of change from 1998 to 2001 cannot be attributed with confidence to the effects of welfare reform, because the strong economy, family changes, and other factors likely influenced these outcomes.

Change in the Use of Noncash Benefits Over Time

Noncash benefits often contribute substantially to the household economies of low-income families and may help to mitigate various forms of material hardship. Evidence from the ASPE-funded leavers studies indicates that participation in government assistance programs was common but varied by program and location.[5] For example, in the fourth quarter after leaving cash assistance, 21-63 percent of leavers reported receiving food stamps, 35-76 percent reported receiving Medicaid for themselves, and 34-86 percent reported that their children received Medicaid.

Among women in the Urban Change survey sample, there were statistically significant reductions from 1998 to 2001 in the percentage of households receiving food stamps and WIC in the month before the interview. Food stamp receipt in that month declined from 65 percent in 1998 to 49 percent in 2001, while use of WIC declined from 31 percent to 19 percent.[6] A supplemental analysis (not shown in Table 5.1) indicates that there was a statistically significant increase — from 17 percent in 1998 to 24 percent in 2001 — in the percentage of households that were eligible to receive food stamps but did not receive them in the month before the survey. Although this increase was significant, it cannot account for all the decline in food stamp receipt for the sample as a whole. It is likely that much of the decline in food stamp receipt occurred because respondents no longer met income and asset eligibility requirements.

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[4] Evidence presented later in this chapter is consistent with this scenario (see Table 5.4).

[5] Acs and Loprest, 2001.

[6] A question about whether children who were age-eligible to receive a free or reduced-price school breakfast and/or lunch received such meals in the month before the survey was added to the 2001 interview schedule. Of those women who had an eligible child, 17 percent reported that their child used this program — a figure that is substantially lower than estimates emerging from the ASPE-funded leaver studies (43 percent to 87 percent) (Acs and Loprest, 2001).

The survey also asked respondents about their use of child care vouchers in the prior year (not shown in Table 5.1). Among eligible respondents, the percentage who received a child care subsidy increased significantly, from 15 percent in 1998 to 27 percent in 2001. While there was no net change in respondents' use of several other noncash benefits, receipt of these benefits was common in 2001: 49 percent received Medicaid for themselves; 50 percent received Medicaid for their children; 33 percent received a housing subsidy;[7] and 24 percent used emergency energy assistance in the prior month.[8]

A study of welfare leavers in Cuyahoga County noted that most families who left cash assistance remained eligible for food stamps and Medicaid.[9] Over time, there were increases in the percentage of families who retained food stamps and Medicaid when they left cash assistance, with particularly steep increases beginning in the first quarter of 2000. Increases were steeper for Medicaid (for both adults and children) than for food stamps, and, by the third quarter of 2000, 61 percent of families retained food stamps, 82 percent of adults retained Medicaid, and 88 percent of children retained Medicaid. The researchers attribute these improvements to the January 2000 implementation of an outreach program to target leavers and help them retain these benefits if they were eligible to do so; in addition, a change in the computer system allowed the Self-Sufficiency Coaches to close the cash benefits for an assistance group without terminating their Medicaid benefits. In the absence of these initiatives and staff efforts to help women retain their links to these programs when their families were about to be terminated because of the time limit (see Chapter 2), the percentage of women in the Urban Change survey sample who reported that they received food stamps and Medicaid in 2001 might have been substantially lower. It is possible that these initiatives also affected the receipt of other noncash benefits.

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[7] Drawing on data from the ASPE-funded leavers studies, Acs and Loprest (2001) report that 16 percent to 60 percent of leavers received housing assistance.

[8] In 2001, receipt of food stamps and Medicaid was significantly higher among nonworking women than among working women. About three out of four nonworking women received food stamps and Medicaid, while about 40 percent of working women had these benefits.

[9] Coulton et al., 2001.

Change in Total Monthly Income and Poverty Status Over Time

A synthesis of findings from the ASPE-funded leaver studies reported that the average incomes of welfare leavers after 6 to 34 months of follow-up ranged from $1,054 to $1,440 (not including a cash value for food stamps) and that leavers' incomes in all the studies hovered near the poverty line, regardless of the sources of income or the time period over which income was measured.[10] In Cuyahoga County, it was estimated that, six months after leaving cash assistance, 58 percent of families had total incomes (including the cash value of food stamps) below the poverty threshold.[11]

In the Urban Change survey sample, there was a significant increase over time in average monthly household income — including food stamps but not the Earned Income Credit (EIC)[12] — and a significant decrease in the percentage of families living in poverty and below 185 percent of poverty. For the sample as a whole, average monthly household income increased by $413, from $1,358 in 1998 to $1,771 in 2001. This corresponds to an annualized income of $21,258 in 2001.[13] Although there was an increase in average monthly household income for the survey sample as a whole, it is noteworthy that 37 percent of households experienced a decline in average monthly income over this period.

In the sample as a whole, the percentage of households below the poverty threshold declined, from 63 percent in 1998 to 50 percent in 2001, with twice as many women exiting poverty over time as entering it (26 percent versus 13 percent).[14] A substantial decrease in the percentage of families living below 185 percent of the poverty threshold — from 90 percent in 1998 to 82 percent in 2001 — was also observed, with nearly three times as many women moving above this threshold as moving below it over time (13 percent versus 5 percent). At both interviews, however, the vast majority of the women in the survey sample (77 percent) were below 185 percent of the poverty threshold, which suggests that many shifted from being welfare poor to working poor.[15]

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[10] Acs and Loprest, 2001.

[11] Coulton et al., 2001.

[12] In the Urban Change study, total household income in the prior month included income of all family members from any of the following sources: earned income, welfare benefits, food stamp benefits, child support, disability income (for example, SSI), pensions, cash assistance from someone outside the household, and such other sources as rental income and unemployment benefits. Not included in the calculation were the EIC, housing subsidies, or the cash value of Medicaid or other health insurance. Note that caution must be used in comparing Urban Change incomes with those reported in the ASPE-funded leaver studies, which do not include the value of food stamps in the computation of household income (Acs and Loprest, 2001).

[13] Note that for a single parent of two children with annual earnings of $21,258 in 2001, the EIC payment was $2,284.

[14] Overall, the total average monthly income of working women was almost twice as high as that of nonworking women ($2,048 versus $1,088), and working women were much less likely to be living in poverty (36 percent versus 83 percent).

The foregoing results indicate that average monthly household income both increased and changed in composition over time. Figure 5.1 synthesizes these dimensions of change by presenting the proportion of the average monthly income that was contributed by each income source in both 1998 and 2001. As seen in this figure, income from work contributed the most to household income at each interview, and the contribution of work income increased substantially, from 46 percent in 1998 to 63 percent in 2001.[16] This substantial increase partly reflects the decline in the proportion of household income from Temporary Assistance for Needy Families (TANF) and food stamps. Although the percentage of families receiving child support nearly doubled over time, child support income accounted for only 1 percent of household income in 1998 and 4 percent in 2001. The contributions to total household income of SSI and income from other sources ranged from 5 percent to 8 percent in both 1998 and 2001.

The increases from 1998 to 2001 in average monthly income that are documented in the Urban Change survey mask a considerable amount of income instability that was observed among ethnographic respondents. Over the four interviews, which cover the same period as the survey interviews, 34 percent of the women in the ethnography experienced continually increasing average monthly income, while the remaining two-thirds had some ups and downs. Over the course of a given year, many women experienced substantial income instability either within a single job, as indicated in Cindy's story below, or as they cycled in and out of different jobs.

Cindy, a white mother of two, worked out of her home selling advertising space for a newspaper. Between 1998 and 1999, her average monthly income increased by about $524 (from $903 to $1,427), but her earnings were so erratic that she was forced to cycle on and off welfare during the year. For a period of time, Cindy's earnings were high, and consequently she was cut off cash welfare. Because benefit adjustments typically lag two months behind income changes, she received the benefits of both earnings and cash welfare for a few months during the year. By the time her welfare check was reduced, however, Cindy's sales, and her income, had fallen, and this caused considerable hardship. The family's utilities were shut off, and they were threatened with eviction for nonpayment of rent. Cindy said: "I have had more trouble with utilities and with rent in the last year than I have ever had . . . , I've never had anything cut off until this past year. I have had to do a lot of running around; I've had the gas once, I had the

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[15] For more information on working poor women in the Urban Change survey and ethnographic samples, see Polit et al. (2001).

[16] In Cuyahoga County, income from the former recipients' own work was the predominant source of household income at the six-month follow-up for all families except those with total incomes below 50 percent of poverty. The contributions of income from the work of other household members approached that of the former recipients only when total household income was 200 percent of poverty or higher (Coulton et al., 2001).

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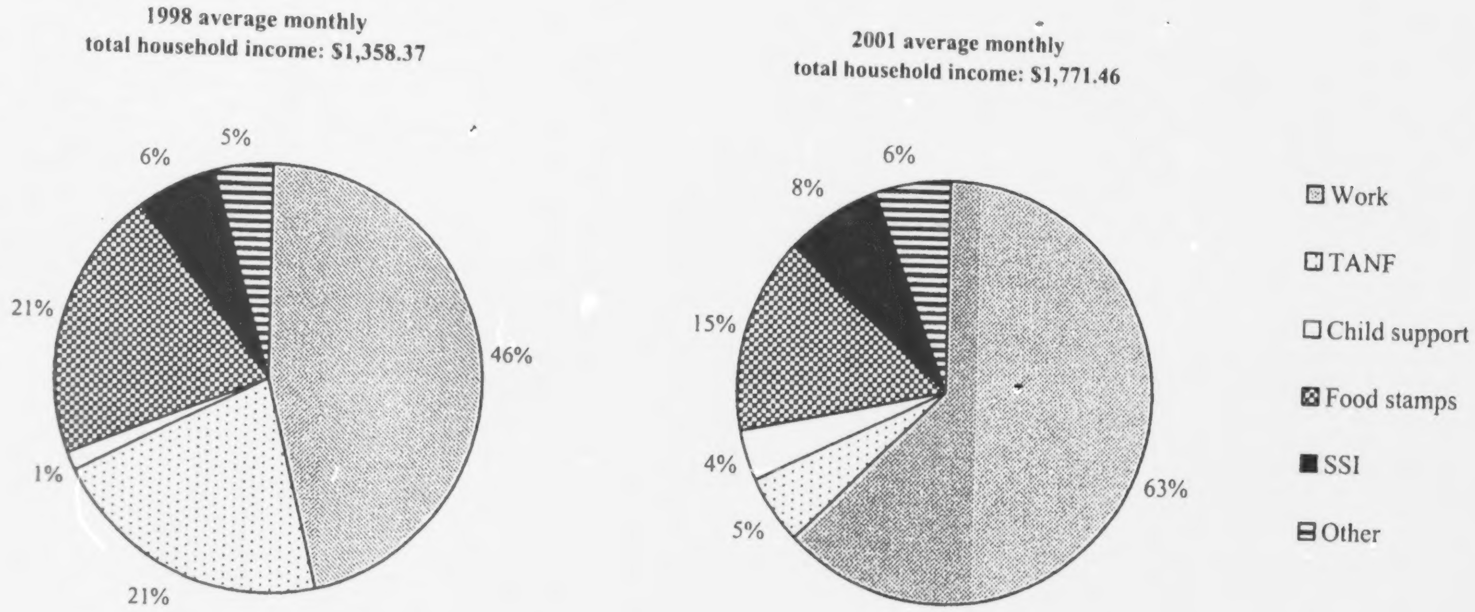
Figure 5.1

Average Percentage of Total Household Income Obtained from Various Sources, 1998 and 2001


1998 average monthly
total household income: $1,358.37

2001 average monthly
total household income: $1,771.46

SOURCE: MDRC calculations from the Urban Change Respondent Survey.

NOTES: Sample size is 617 respondents in 1998 and 614 respondents in 2001.
Rounding may cause slight discrepancies in calculating sums and differences.
"Other" source of income comprises pensions, income from friends and family, and income listed as other source by respondent.

electric last week, last Friday, [turned] off." After Cindy's earnings declined, it took several months for her welfare check to be increased.

Ethnographic data also indicate that improvements in income were highly salient to the women in the study and their children.[17] Many women expressed a sense of satisfaction with their ability to provide more for their children and families, even though they were often attentive to the trade-offs or costs associated with increasing family resources through work. For example, Susan, a 36-year-old, white single mother of two adolescent boys, said in response to a question asking how her current situation compared with the previous year: "Well, it's a lot better [laughs]. We're not scrimping and saving as we were, I mean it's still . . . well, it can get tight at times, but . . . I like not havin' to report every single thing [to welfare]." Later, comparing being on welfare with working and having more money, she said: "They [her children] couldn't do a lot of things; now they can do more . . . now we can go places. . . . I know . . . they like me workin'."

Sometimes, women also spoke about how working and having more income reduced the stigma they faced in the community and helped them increase their feelings of self-worth.[18] For example, between the second and third ethnographic interviews, Tasha, a 45-year-old, unmarried African-American woman with two children, became the primary, agency-based home care provider for her daughter, who had a severe seizure disorder. For this paid work, Tasha earned low wages and received no medical benefits. Nevertheless, Tasha's average monthly income increased substantially after she took this job. At the first and second interviews — when she was reliant on welfare, food stamps, and SSI for her daughter (with a small amount of emergency assistance reported at the second year) — her average monthly income was calculated to be $897 and $964, respectively. After leaving welfare and starting this job, her average monthly income from all sources (including earnings, the EIC, and intermittent food stamp and emergency assistance benefits) was calculated to be $1,309 (at the third interview) and $1,958 (at the fourth interview, in 2001). This represents a 118 percent increase in income from 1998 to 2001. When asked in the third interview how she was feeling about herself now that she was working, Tasha responded: "I feel good, good, you know because like I said, I feel fortunate that I could still do things at home. I went to look at some living-room furniture the other day and the guy said: 'Are you employed?' And I said: 'Yes, I'm employed. You know my Social Security number, you know, you check it out.' So, that kinda thing, it makes you, it makes you feel good, it makes you feel good, it really does. You know, you're in a different status [when] you're not considered unemployed."

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[17] Evidence from experimental evaluation studies of welfare-to-work programs suggest that programs that increase maternal employment and income may benefit younger children, although absolute levels of risk and problems remain high (Morris et al., 2001). Findings emerging from the Urban Change ethnographic study are broadly consistent with these experimental findings and document some of the mechanisms by which positive, negative, and mixed outcomes might occur (see Morris, Scott, and London, 2002).

[18] For additional ethnographic data on the women's experiences of work-family trade-offs and the costs and benefits of making the transition from welfare to work in the first year of the Urban Change study, see Scott, Edin, London, and Mazelis (2001); Scott, Edin, London, and Kissane (2001); and London, Scott, Edin, and Hunter (2001).

Change in Assets and Debts Over Time

In order to further assess the economic well-being of the women in the survey sample, changes from 1998 to 2001 in assets and debts were examined. Overall, there were increases in both assets and debts. As seen in Table 5.2, there were significant increases over time in the percentage of women who reported that they owned a car or a home. In 2001, 54 percent reported car ownership (compared with 39 percent in 1998) and 14 percent reported home ownership (compared with 8 percent in 1998). There was also evidence of increased savings over time: The percentage of women who had savings of $500 or more increased significantly, from 4 percent to 9 percent. Consistent with the fact that many more women reported that they or someone in their household owned a car in 2001, a substantially higher percentage of women at the second interview also reported that they owed money on a car (25 percent, versus 15 percent in 1998). Excluding amounts owed on a mortgage or a vehicle, the percentage of women with no debt decreased significantly. The percentage of women with debts of $2,000 or more increased the most, from 32 percent in 1998 to 43 percent in 2001.[19] While this increased consumer debt may reflect the better economic circumstances of the women in the sample overall (that is, they are doing sufficiently well to qualify for credit), mounting debt may be a risk for the future for some women and their families. Increasing levels of consumer debt among women with potentially unstable employment, near-poverty incomes, and limited savings could pose problems as the economy slows and labor markets contract.[20]

In summary, the data presented thus far demonstrate that respondents were, on average, better-off economically in 2001 than they were in 1998. There were significant increases in average monthly income and significant reductions in the percentage of families living in or near poverty. Increases in car and home ownership and some additional savings were also documented, which were tempered to some extent by increasing consumer debt. While these improvements are significant and promising, it is important to note that, even in a very strong

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[19] Although approximately two-thirds of working and nonworking families had $500 or more in consumer debt, working families were more likely to have savings of $500 or more (12 percent versus 1 percent).

[20] The ethnographic data suggest that debt may interfere with women's access to work supports. One woman said that she had problems getting daycare vouchers because she still owed money to a former daycare provider. She said that she could not get additional vouchers until she resolved this debt. Additionally, she owed money on a student loan, so her tax refund, including her EIC payment, was applied toward repayment of her loan.

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Table 5.2

Changes in Assets and Debts from 1998 to 2001

Outcome (%)	First Interview (1998)	Second Interview (2001)	Difference	1998 to 2001 Change (%) Increase	Decrease	No Change
Assets						
Owns a car	38.9	54.3	15.4 ***	25.0	9.6	65.4
Owns a home	7.8	14.2	6.4 ***	9.0	2.6	88.4
Amount family has in savings:						
None	78.8	81.6	2.8	14.6	11.8	73.6
Less than $200	13.0	5.3	-7.8 ***	4.2	11.9	83.9
$200-$500	4.5	4.5	0.0	3.9	3.9	92.2
More than $500	3.7	8.7	5.0 ***	7.0	2.0	91.0
Debts						
Owes money on a car	15.0	24.9	9.9 ***	18.0	8.2	73.8
Amount family owes in debt:						
None	35.1	27.6	-7.5 ***	10.4	17.9	71.8
Less than $500	10.4	6.6	-3.8 *	6.0	9.8	84.3
$500-$1,000	13.3	11.6	-1.7	9.0	10.7	80.3
$1,001-2,000	8.9	11.1	2.3	10.4	8.1	81.5
More than $2,000	32.4	43.1	10.7 ***	21.8	11.1	67.0
Sample size	689	689				

SOURCE: MDRC calculations from the Urban Change Respondent Survey.

NOTES: The numbers shown are not statistically adjusted. Analysis of variance and chi-squared tests were applied to test the significance of group differences. Statistical significance levels are indicated as * (.05), ** (.01), *** (.001).

Rounding may cause slight discrepancies in sums and differences.

economy, about half the women and their families were still living in poverty in 2001, and four-fifths were living below 185 percent of poverty.

Material Hardships

It is widely recognized that measurements of household income and official poverty statistics are inadequate for characterizing the degree of material deprivation in families.[21] One study found that poverty and material hardship were correlated but that family's income-to-need ratio[22] explained about a quarter of the variance in material hardship.[23] This evidence and other subsequent studies have given rise to a consensus that income-poverty and material hardship are conceptually distinct and that efforts are needed to better measure and monitor directly the extent of material hardships in low-income families.[24]

The set of ASPE-funded studies of TANF leavers used a variety of indicators to measure food, housing, and health care hardships.[25] Overall, levels of material hardship remained high among leavers, although there are notable differences across studies. Some studies show that leavers experienced the same or lower levels of food and housing hardships as when they were on cash assistance, while other studies indicate that hardships increased after exit. In all the studies that assessed subjective well-being, the majority of women perceived that their material circumstances were improved or unchanged. However, in all studies, a noteworthy minority (ranging from 13 percent to 28 percent) reported that they were worse off than they had been while on cash assistance. Generally, studies that compared working and nonworking leavers found that hardships were lower among working leavers.[26]

Given the overall increase in employment and the improvement in the economic circumstances of this initially welfare-reliant, May 1995 cohort of women, it is important to examine directly whether and how these women's material circumstances have changed over time. To do this, change from 1998 to 2001 in a broad array of food, housing and neighborhood, and health care hardships were examined, as were changes in other indicators of family well-being and women's own ratings of their standard of living. These results are presented in Table 5.3.

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[21] Beverly, 2001; Federman et al., 1996.

[22] A family's income-to-needs ratio is their total cash income from all sources divided by the family's official poverty threshold, as established by the U.S. Bureau of the Census, in the relevant year.

[23] Mayer and Jencks, 1989.

[24] Edin and Lein, 1997; Bauman, 1998.

[25] Acs and Loprest, 2001.

[26] See also Coulton et al., 2001; Danziger, Corcoran, Danziger, and Heflin, 2000.

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Table 5.3

Changes in Material Hardship and Family Well-Being from 1998 to 2001

	First Interview	Second Interview		1998 to 2001 Change (%)		
Outcome (%)	(1998)	(2001)	Difference	Increase	Decrease	No Change
Food hardships						
Food insecure without hunger[a]	31.8	29.7	-2.1	16.9	19.0	64.1
Food insecure with moderate or severe hunger[a]	12.4	10.8	-1.6	6.9	8.5	84.5
Child with hunger[b]	2.7	3.8	1.0	3.3	2.2	94.5
Used a food bank in the prior month	8.4	9.1	0.7	6.4	5.7	88.0
Housing/neighborhood hardships						
Had worst-case housing needs[c]	32.0	25.3	-6.7 **	11.3	18.0	70.7
Living in a crowded house[d]	10.0	9.7	-0.3	5.7	6.0	88.3
Had two or more housing problems[e]	27.9	26.3	-1.6	13.9	15.5	70.7
Gas or electricity turned off one or more times in prior year	13.9	10.5	-3.4 *	7.2	10.6	82.1
Had to move in with another family because needed a place to live	12.5	8.6	-3.9 *	6.8	10.7	82.4
Evicted in past year	3.3	3.5	0.1	2.8	2.6	94.6
Living in a dangerous neighborhood[f]	33.8	26.3	-7.5 ***	11.9	19.4	68.7
Health care hardships						
Respondent uninsured in prior month	20.8	20.9	0.1	11.9	11.8	76.3
Any child uninsured in prior month[g]	13.1	7.0	-6.1 ***	4.9	11.0	84.0

(continued)

Table 5.3 (continued)

Outcome (%)	First Interview (1998)	Second Interview (2001)	Difference	1998 to 2001 Change (%) Increase	Decrease	No Change
Respondent ever uninsured in prior year	36.4	33.7	-2.8	17.4	20.2	62.4
Family had unmet need for medical care in prior year	22.4	23.4	1.0	13.4	12.3	74.3
Family had unmet need for dental care in prior year	22.2	27.3	5.1 *	16.1	11.0	72.9
Compared with 1 year ago, access to needed health care is harder	34.6	25.4	-9.2 ***	11.5	20.8	67.7
Other indicators of family well-being						
Respondent felt highly stressed much or all of the time	51.7	42.7	-9.0 ***	11.8	20.8	67.4
Any child under 18 living elsewhere	7.9	6.5	-1.5	5.0	6.5	88.5
Adult/household hardships[h]						
Average number of hardships	2.13	1.96	-0.2 *	31.2	42.8	26.0
None	16.55	20.75	4.2 *	13.9	9.7	76.3
1-2	46.01	45.72	-0.3	22.6	22.9	54.4
3 or more	37.45	33.53	-3.9	15.5	19.4	65.0
Child hardships[i]						
Average number of hardships	0.24	0.16	-0.1 ***	9.8	17.4	72.8
None	77.31	84.92	7.6 ***	17.0	9.4	73.6
1-2	22.69	15.08	-7.6 ***	9.4	17.0	73.6
3 or more	0.00	0.00	0.0 ***	0.0	0.0	100.0

(continued)

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Table 5.3 (continued)

Outcome (%)	First Interview (1998)	Second Interview (2001)	Difference	1998 to 2001 Change (%)		
				Increase	Decrease	No Change
Average rating of standard of living						
Very satisfied	19.6	23.2	3.6	14.0	10.4	75.5
Satisfied	53.7	50.5	-3.3	19.3	22.6	58.1
Dissatisfied	21.2	19.6	-1.6	12.0	13.6	74.5
Very dissatisfied	5.5	6.7	1.2	5.1	3.9	91.0
Sample size	689	689				

SOURCE: MDRC calculations from the Urban Change Respondent Survey.

NOTES: The numbers shown are not statistically adjusted. Analysis of variance and chi-squared tests were applied to test the significance of group differences. Statistical significance levels are indicated as * (.05), ** (.01), *** (.001).

Rounding may cause slight discrepancies in sums and differences.

[a] Respondents were placed in one of four food insecurity categories (secure, insecure without hunger, insecure with moderate hunger, or insecure with severe hunger) based on their scores on the 18-item Household Food Security Scale.

[b] Respondents were placed in one of three child-hunger categories (child with hunger, child with reduced quality diet, or no child hunger) based on responses to the eight items on the Household Food Security Scale that concern nutritional status of children under age 18 in the household.

[c] Families have worst-case housing needs if they pay more than 50 percent of their income on rent and utilities and receive no housing assistance.

[d] Crowding is defined as having less than one room per person, not including bathrooms.

[e] Respondents indicated whether they had any of the following housing problems: broken windows, leaky roof/ceilings, roaches/vermin, and problems with wiring, plumbing, heating, and appliances.

[f] Respondent or child was robbed, mugged, or attacked or witnessed a violent crime, or reported gang violence in neighborhood.

[g] This item does not take into account those who did not have children at either wave.

[h] The eight hardships used in this index include: food insecurity, receipt of emergency food in prior month, spends more than 50 percent of income (including food stamps) on housing, has two or more housing problems, lives in a dangerous neighborhood, witnessed a violent crime in the neighborhood, respondent ever uninsured in prior year, and family unmet need for medical or dental care.

[i] The three hardships used in this index include: child with hunger, any child uninsured in prior month, and any child under 18 living elsewhere.

Change in Material Hardships and Family Well-Being Over Time

Four indicators of food hardships were examined: food insecurity without hunger, food insecurity with moderate or severe hunger, child hunger, and use of a food bank in the prior month.[27] Despite the fact that there were significant declines in the use of food stamps and the receipt of WIC (Table 5.1), there were no significant changes over time for any indicator of food hardship. Food insecurity remained high, with 40 percent of the sample being food insecure in 2001.[28] This rate is higher than that for households with income below the poverty level nationally (36.4 percent) and substantially higher than the rate of food insecurity among nonpoor households (14.3 percent).[29]

Consistent with women's better economic circumstances in 2001, there were significant improvements over time in some housing and neighborhood hardships. From 1998 to 2001, there was a significant decrease in the percentage of women who had worst-case housing needs[30] in the month prior to each interview (from 32 percent to 25 percent); reported one or more gas/electricity shutoffs in the prior year (from 14 percent to 11 percent); doubled-up with another family in the prior year because they needed a place to live (from 13 percent to 9 percent); and lived in a dangerous neighborhood [31] (from 34 percent to 26 percent). There were no changes over time with regard to evictions, crowded residences, or having two or more housing problems.[32] Despite the various improvements from 1998 to 2001, levels of several housing and neighborhood hardships remained high in 2001 (for example, more than one in four women reported that they had worst-case housing needs, two or more housing problems, or lived in a dangerous neighborhood).[33]

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[27] The Household Food Security Scale (HFSS) was used to measure respondents' level of food security. This scale has been administered by the U.S. Bureau of the Census in its Current Population Survey each year since 1995, and it is the benchmark measure of food security in the United States (Carlson, Andrews, and Bickel, 1999). The HFSS is an 18-item, self-report scale that can be used to classify respondents' households into one of four categories: food secure, food insecure without hunger, food insecure with moderate hunger, and food insecure with severe hunger. The HFSS is reliable and valid for population- and individual-level measurement (Frongillo, 1999). Households were classified into one of three child-hunger categories (no child hunger nor reduced-quality diet, child with reduced-quality diet, and child with hunger) based on maternal responses to the eight items in the HFSS that concern the nutritional status of children under age 18 in the household (Nord and Bickel, 1999).

[28] Women who were not working in 2001 were significantly more likely than working women to be food insecure (47 percent versus 38 percent).

[29] Bickel, Carlson, and Nord, 1999.

[30] Families had worst-case housing needs if they had no rental assistance and paid more than 50 percent of their income (not including food stamps) for rent and utilities. In 1999, 7.4 percent of households in the United States had worst-case housing needs (U.S. Department of Housing and Urban Development, 1999).

[31] The respondent was classified as living in a dangerous neighborhood if she was robbed, mugged, or attacked or witnessed a violent crime in the neighborhood or if gang violence was reported in the neighborhood. Improvements in living in dangerous neighborhoods likely reflect some residential mobility into better neighborhoods among women whose incomes improved, but they are also likely to have resulted because there was less violent crime in Cuyahoga County over time, especially in disadvantaged neighborhoods (see Chapter 6).

[32] Families were classified as living in a crowded household if there was less than one room per person (not including bathrooms). Respondents were classified as having two or more housing problems if they indicated

(continued)

Health care hardships mostly either improved or were unchanged from 1998 to 2001. Overall, there was no change in the percentage of women who were uninsured in the prior month (21 percent in 2001) or in the percentage of women who were ever uninsured in the prior year (34 percent in 2001). There was a significant decrease in the percentage of women who had any uninsured child (from 13 percent in 1998 to 7 percent in 2001)[34] and in the percentage who reported that their access to health care was harder than it had been the prior year (from 35 percent in 1998 to 25 percent in 2001). About one out of four women reported unmet need for medical care in their families at both interviews. The only area where increased health care hardship was observed concerned dental care; significantly more women reported unmet need for dental care in their families at the second interview than did so at the first interview (22 percent versus 27 percent).[35]

In addition, change from 1998 to 2001 in two other indicators of family well-being was examined. For the sample as a whole, the percentage of women who reported that they felt highly stressed much or all of the time decreased significantly, from 52 percent to 43 percent. Nevertheless, stress levels remained high, consistent with evidence from the ethnographic study.[36] To the extent that financial worries contribute to women's feelings of being stressed, the improved economic circumstances of the women overall may have played a beneficial

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that their current housing had at least two of the following problems: broken windows; leaky ceilings; roaches/vermin; and problems with wiring, plumbing, heating, and appliances.

[33] In 2001, compared with working women, nonworking women were significantly more likely to experience worst-case housing needs (33 percent versus 22 percent); have two or more housing problems (33 percent versus 23 percent); have gone two or more weeks in the prior year without a phone (34 percent versus 22 percent); have doubled-up with another family because they needed a place to live (16 percent versus 6 percent); and have been evicted in the prior year (7 percent versus 2 percent).

[34] This improvement in rates of insurance for children may partly reflect increased enrollment efforts made by the state under the auspices of the Children's Health Insurance Program.

[35] Although not measured in the survey, the ethnography identified three other important domains of material hardship: lack of adequate clothing, lack of reliable transportation, and problems affording prescription and over-the-counter medications. The majority of women mentioned being unable to provide adequate clothing for themselves and their children at some point in the study. Clothing concerns, especially for children, appeared to be highly salient to these women, and when they spoke of their increased incomes, they often mentioned being able to buy their children more and better clothing. Many women also noted that their lack of access to reliable transportation made it difficult for them to get to where jobs were, to manage child care, and to get to better-quality, less expensive grocery stores. Finally, many women, even those who were insured, noted that affording prescriptions was sometimes difficult. This is consistent with findings from a recent study, which reported that one out of four uninsured persons or persons who were enrolled in Medicaid couldn't afford prescription medications (Cunningham, 2002).

[36] See London, Scott, Edin, and Hunter, 2001.

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role.[37] There was no significant change from 1998 to 2001 in the percentage of families with any minor child living outside the home (an indicator of family distress).

While the survey data indicate that there is substantial material hardship in this population, the ethnographic data suggest that the prevalence of hardships would be even higher if women were not making such enormous efforts to cope with, prevent, and reduce the hardships that they and their families face. This was the case even among some of the women who substantially increased their incomes when they left welfare for work. For example, Linda, a 33-year-old, white, married mother of three left welfare in 1999 and began working full time in a job that initially paid an annual salary of $21,000. She remained in that job for the rest of the study but reported that she still used a food bank on occasion. In response to a question in the fourth interview in 2001 about whether this job had made her self-sufficient, Linda and the interviewer had the following exchange:

> **Linda:** I would have to say yes. Because I feel I am self-sufficient. I still feel poor, and that, you know, I'm scraping to make ends meet, and that I do live from paycheck to paycheck. So I really don't know how self-sufficient that is. Because I can't get ahead. You know, I always feel behind. So it depends, really, it depends on what you define as self-sufficient.
>
> **Interviewer:** Do you find yourself in less need of support from other sources like family or government?
>
> **Linda:** Yeah. Yeah. Family and government. I still go to my local hunger center once in awhile for food but . . .
>
> **Interviewer:** Are you eligible for that?
>
> **Linda:** Yeah. Believe it or not, income-wise, I still am eligible.

Similarly, Debbie, a married, African-American respondent with three children, who in the second year of the study entered a job that paid $8.75 per hour, said that she too was struggling. She said that she had received a shutoff notice for one of her utilities but that the utility was not, in fact, turned off. Nevertheless, Debbie expressed concern about how she was going to pay her upcoming bills — and indicated how she had managed to keep her utilities on: "They give you up to three months [to pay your overdue balance]; like the second month they give you a shutoff notice, then you get an extra month to try to get it paid, or pay something on it. And now they're sending me the final bills from where I used to stay, plus the bills I have accumulated here, and it's like, how am I gonna pay these? So, I'll probably just send them what I can."

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[37] Nonworking women were significantly more likely to report that they felt stressed all or much of the time (51 percent versus 39 percent), which may reflect reduced financial strain among working women or the selection of women with better coping (or other) resources into the labor force.

Besides going to food banks, women in the ethnographic sample reported numerous other strategies for preventing or reducing food hardships for their families. These included but were not limited to maintaining their connection to the Food Stamp Program; cutting back their food intake so children could have more food; smoking to reduce appetite; eating reduced-quality and less expensive foods; receiving food from or eating with family or friends; careful shopping and use of coupons; and stealing. In addition to making partial payments to prevent a utility cutoff, women reported numerous other strategies to cope with housing problems. These include applying for Section 8; living with relatives (either in the same housing unit or in a housing unit owned by a family member); fighting with landlords to get things fixed; fixing things themselves when they could afford to do so; living with the problems unfixed, often for years; borrowing money from friends or family; juggling bills; applying for housing subsidies and emergency assistance; or doing without utilities or phones for periods of time. At times women moved — either within the same neighborhood or to another neighborhood — to try to achieve better housing or neighborhood conditions. Sometimes this strategy was successful, but sometimes it was not. Women's strategies for dealing with unmet needs for medical and dental care included: self-care; paying out-of-pocket; going to the emergency room; seeking care but not paying the bills; trying to ignore the problem and not seeking treatment for it; borrowing medications from others; and stealing medications (by opening packages of over-the-counter medications in pharmacies and taking either the entire contents or a few pills).

In summary, there was evidence in the survey of favorable changes over time across multiple domains of material hardship. For several indicators of housing and neighborhood hardships, health care hardships, and maternal stress, statistically significant improvements were observed. In only one instance — unmet need for dental care — was there a significant negative trend. The ethnography suggests that some caution is needed when interpreting point-in-time prevalence rates, because they may mask the substantial efforts that women are making over time to prevent hardships in their lives.

These overall improvements in the material circumstances of women in the survey sample are reflected in two summary indices constructed from items presented in Table 5.3. One of these indices includes eight items that refer to the respondent or the household as a whole, while the other refers specifically to aspects of children's well-being. The adult/household index includes eight items: food insecure (with and without hunger combined); receipt of emergency food in the prior month; worst-case housing; has two or more housing problems; lives in a dangerous neighborhood; witnessed a violent crime in the neighborhood; respondent ever uninsured in the prior year; and family unmet need for medical or dental care. Overall, women experienced significantly fewer of these eight hardships over time. The average number of hardships declined significantly, from 2.13. to 1.96, and the percentage of women who experienced none of these eight hardships increased significantly, from 17 percent in 1998 to 21 percent in 2001.[38] The second summary index includes three items that refer specifically to children's well-being: child hunger; whether any child was uninsured in the prior month; and whether any minor child lived away from home. For this index as well, there was a significant decline from 1998 to 2001. Overall, the percentage of families who experienced none of these child hardships increased significantly, from 77 percent in 1998 to 85 percent in 2001.[39]

Given the improvements observed in the economic and material circumstances of the women in the sample, it was expected that women would perceive themselves to be better off. However, there was no significant change from 1998 to 2001 in women's self-reported satisfaction with their standard of living, with three out of four women reporting that they were satisfied or very satisfied with their standard of living at both interviews. The lack of change over time in women's subjective assessments is somewhat surprising. So, too, is the high level of satisfaction these women expressed with respect to their standard of living, given that half of them lived below the federal poverty threshold and that three-quarters lived within 185 percent of poverty.

The ethnographic data indicate that women sometimes framed their relatively positive assessments of their standard of living in relation to their perception that others were worse off than they were or that they were better off than they had been previously. For example, several women said that they would not use food banks because they are only for people "who really need it." By framing their situations in such terms, women could maintain their self-esteem and optimism while resisting demoralization and the sense that they were somehow failing. This represents a sort of cognitive coping strategy.

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[38] These findings are mostly consistent with those reported by Boushey (2002), who used data from the 1997 and 1999 rounds of the National Survey of America's Families to estimate levels of "critical" and "serious" hardships. Critical hardships are defined as those that "threaten a family's health and well-being" (for example, lack of food; eviction; inability to receive needed medical care). Serious hardships are defined as "day-to-day difficulties that, although not life-threatening, can have long-term consequences for family well-being." These data indicate that there was a significant increase from 1997 to 1999 in the percentage of recent leavers experiencing one or more critical hardship. However, there were significant decreases in the percentage reporting two or more critical hardships and in the percentage reporting serious hardships (one or more and two or more, respectively). Despite these decreases over time, hardships remained high in these families.

[39] Overall, nonworking women experienced significantly more adult/household hardships than working women (2.3 versus 1.8), and they were significantly more likely to experience three or more hardships out of a possible eight (40 percent versus 31 percent). Other aspects of women's employment and total household income were also correlated significantly with these summary indicators in 2001. For example, number of adult/household hardships was correlated with the respondents' hourly wages (–0.16); weekly earnings (–0.19); number of months out of the past 24 that the respondent worked (–0.10); number of benefits offered by the respondents current/most recent job (–0.19); and total household income (–0.27). With respect to child hardships, the number of benefits at the mother's current/most recent job was associated with fewer child hardships (–0.13).

Sometimes, when women's assessments of their standard of living changed for the worse, it was because financial constraints made it more difficult for them to fulfill important social role obligations, such as being a good mother and provider, rather than because of changes in the specific material hardships that they and their families faced. For example, as described earlier in this chapter, Cindy, a white mother of two from Detroit-Shoreway, experienced substantial income instability over the course of the study. At baseline, Cindy optimistically characterized her standard of living as "mixed, because, considering the limitations you have financially, I'm not really doing without a lot. Our furniture may not be the greatest, it may not be the best, and it may not be the stuff that I want . . . but, I know it's coming." At the third interview — living with many housing problems in a neighborhood she considered unsafe, experiencing unmet dental care needs and utility shutoffs, and having to skimp on her own food so that her children wouldn't have to — Cindy described herself as being "unhappy" about her standard of living because it made her feel "bad as a mom." She said:

> When I got my income tax back, I went out and I bought Kim, my oldest girl, clothes. She had not had new, new clothes in over a year and a half, or shoes. I mean, you know, and that hurts me as a mom. . . . It hurts me that they would have to wait for a windfall like that, just to get what would be considered basic day-to-day clothes. I mean, my idea of basic day-to-day clothes is a pair of jeans for each day and stuff like . . . I mean, I'm not talking about, going out to London for the weekend or something like that. . . . And maybe able to go out . . . like being able to let them do the things they want to do, simple things like going roller-skating, have extra money to do that sort of stuff. When you don't have it, you can't; you know, it hurts.

Economic Circumstances and Material Hardships of Vulnerable Groups

As discussed in Chapter 4, aggregate numbers and averages can mask the experiences of different subgroups of women. While there is substantial evidence that the economic and material circumstances of women in the Urban Change study had improved *on average*, it is important to investigate whether some groups of women had experiences that worsened over time. Thus, in this section, the economic and material circumstances of women who were considered to be especially vulnerable to adverse outcomes — even in a strong economy — are examined. As in the previous chapter, women were considered to be vulnerable if they had been terminated from welfare because of the time limit or if they were at risk of being terminated (that is, fewer than 12 months remained on their time-limit clocks).

Table 4.4 (Chapter 4) indicates that the three subgroups (terminated women, those at risk of termination, and those not at risk) differed considerably in terms of demographic characteristics at baseline in 1995. These demographic differences persisted (data not shown in tables). In 2001, women who had reached their time limit were most likely to be never married (72 percent, compared with 55 percent of women not at risk of being cut off) and were less likely than others to be currently married. Women who had reached the time limit were also most likely to have had a birth since May 1995 (56 percent, compared to 32 percent of women who were not at risk of being cut off).[40] Women who reached their time limit had the largest households (5.0 persons, compared with 3.8 persons in households of women who were not at risk of being cut off); had the most children (3.6, compared with 2.1 among women not at risk of being cut off); were most likely to have a preschool-age child in the household (60 percent, compared with 32 percent among women not at risk of being cut off); and were most likely to be living with their children only (73 percent, compared with 49 percent of women who were not at risk of being cut off). For all these characteristics, women at risk of time-limit termination fell between the two extremes.

Table 5.4 presents information on selected indicators of the economic circumstances of women with different risks of termination from welfare. Across all three groups, the majority of women had work income in their households, but women who had reached the time limit and women who were at risk of doing so were less likely to have work income (64 percent each, versus 76 percent for women not at risk of being cut off).[41] Women who had reached the time limit were significantly more likely to receive food stamps or Medicaid than women in the other groups: 87 percent or more received each of these benefits, compared with approximately two-thirds of those who were at risk and one-third of those who were not at risk of being cut off. Women who had been terminated from welfare faced the most difficult economic circumstances. They had the lowest average total household income ($1,338), were the most likely to live below the poverty threshold (78 percent), and were least likely to have savings of $500 or more (3 percent). Although women who had reached the time limit were the least likely of the three groups to have debts of $500 or more, approximately 50 percent had such debt.[42]

In assessing the economic circumstances of the two groups of vulnerable women in 2001, it is important to note that even in 1998 they were more likely than other women to be in poverty: In 1998, 86 percent of terminated women and 80 percent of women with fewer than 12

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[40] Women who were terminated were significantly younger than women who were not terminated, which may have contributed to their higher likelihood of having a birth since May 1995.

[41] There were no significant subgroup differences in terms of not having *any* source of income in the prior month. In fact, *none* of the terminated women said that they had no income from any source.

[42] It is noteworthy that women in the terminated group were the most likely to have income from SSI. The differences across the three groups are marginally significant, in a statistical sense ($p = 0.057$); however, they are substantively important. This pattern is consistent with the evidence reported in Chapter 2, which suggests that OWF workers made special efforts to link women to SSI if they or members of their family were facing serious health problems.

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Table 5.4

Economic Circumstances in 2001, by Time-Limit Risk Group

Outcome	All Women in Survey Sample	Reached Time Limit and Was Cut Off	At Risk of Being Cut Off	Not at Risk of Being Cut Off	P-Value for Difference Between Groups
Had income from work in prior month (%)	72.0	64.1	64.4	76.0	0.005 **
Had income from child support in prior month (%)	19.4	22.3	18.2	19.2	0.704
Had income from SSI in prior month (%)	16.3	24.3	15.2	14.8	0.057
Received food stamps in prior month (%)	48.5	92.2	65.9	33.5	0.000 ***
Receives Medicaid for self (%)	49.3	87.3	70.5	34.7	0.000 ***
Average total monthly household income in prior month ($)	1,771.46	1,338.15	1,567.84	1,940.29	0.000 ***
Percentage below official poverty line	49.6	78.3	55.0	40.8	0.000 ***
Family has more than $500 in savings (%)	8.7	3.0	6.3	10.8	0.026 *
Family has more than $500 in debts (%)	66.4	49.5	58.1	72.6	0.000 ***
Sample size	689	103	132	454	

SOURCE: MDRC calculations from the Urban Change Respondent Survey.

NOTES: The numbers shown are not statistically adjusted. Analysis of variance and chi-squared tests were applied to test the significance of group differences. Statistical significance levels are indicated as * (.05), ** (.01), *** (.001).

Rounding may cause slight discrepancies in sums and differences.

months on their clocks were poor, compared with 55 percent of women who were not at risk. It is also noteworthy that even women who were ultimately terminated from welfare or were at risk of being terminated improved their economic circumstances between 1998 and 2001. The percentage in poverty in 2001 decreased to 78 percent for women in the terminated group, to 55 percent for women with fewer than 12 months on their clocks, and to 41 percent for women who had more than 12 months left on their clocks.

Table 5.5 presents information on material hardships and family well-being according to the subgroups defined by time-limit risk group. Women who had reached the time limits had worse food and housing hardships than women in the other groups; however, they were better off than others with respect to health care hardships. Although they were the most likely to receive food stamps, women who had reached the time limit were the most likely to be food insecure: 52 percent were food insecure, compared with 41 percent of women at risk of being cut off and 38 percent of women who were not at risk of reaching the time limit. Women who had reached the time limit were also the most likely to have two or more housing problems (39 percent), to have been without a phone for two weeks or more in the prior year (40 percent), and to have had to move in with another family because they needed a place to live (14 percent).

For each of the four health care hardships presented in Table 5.5, women who had reached the time limit had the best outcomes; women who were not at risk had the worst outcomes; and women at risk for reaching the time limit had intermediate outcomes. Women who had reached the time limit were least likely to have been uninsured in the prior month (3 percent, compared with 26 percent of women not at risk of reaching the time limit); to have any child uninsured (1 percent, versus 10 percent for women not at risk); to have been uninsured at some point in the prior year (13 percent, versus 40 percent for women not at risk); and to have unmet needs for medical or dental care in their families (12 percent, versus 37 percent for women not at risk). Thus, it appears that the health safety net was working for these vulnerable women, who also had the most health problems (see Chapter 4).

There were no significant differences across the three groups with respect to the other indicators of family well-being included in the analysis. Moreover, there were no significant differences across the three groups with respect to the two summary indicators of the number of adult/household hardships and the number of child hardships, respectively. Overall, these results suggest that there are hardship trade-offs in these women's lives that are, to some extent, countervailing.

The findings reported in this section are consistent with those reported in a study of time-limited and non-time-limited TANF leavers in Cleveland.[43] Many of the themes discussed in this and the previous chapter are illustrated in Karen's story, which is presented in substantial detail below.

As noted briefly in Chapter 4, Karen had multiple barriers to employment and was ultimately terminated from welfare because of the time limit. Even before hitting the time limit, however, Karen's life was difficult, and her family struggled in various ways. Although she was working and continued to receive food stamps and Medicaid at the time she was terminated

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[43] Bania et al., 2001.

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Table 5.5

Material Hardship and Family Well-Being in 2001, by Time-Limit Risk Group

Outcome (%)	All Women in Survey Sample	Reached Time Limit and Was Cut Off	At Risk of Being Cut Off	Not at Risk of Being Cut Off	P-Value for Difference Between Groups
Material hardships					
Food insecure (with and without hunger combined)[a]	40.2	52.0	40.5	37.5	0.026 *
Child with hunger[b]	3.8	5.0	2.5	3.8	0.637
Had worst-case housing needs[c]	25.3	30.9	21.7	25.1	0.305
Had two or more housing problems[d]	26.3	39.2	26.2	20.5	0.000 ***
Two or more weeks in the prior year without a phone	25.5	39.8	27.3	21.8	0.001 ***
Had to move in with another family because needed a place to live	8.6	13.6	4.5	8.6	0.049 *
Evicted in past year	3.5	4.9	3.8	3.1	0.662
Living in a dangerous neighborhood[e]	26.3	32.6	25.6	25.1	0.313
Respondent uninsured in prior month	20.9	3.0	17.6	26.0	0.000 ***
Any child uninsured in prior month[f]	7.0	1.0	4.2	9.5	0.005 **
Respondent ever uninsured in prior year	33.7	12.6	27.7	39.7	0.000 ***
Family had unmet need for medical care and dental dare (combined) in prior year	30.8	11.7	23.5	37.2	0.000 ***
Other indicators of family well-being					
Respondent felt highly stressed much or all of the time	42.7	44.7	38.9	43.4	0.604
Contacted by child protective services	8.7	14.1	9.2	7.4	0.097
Any child under age 18 living elsewhere	6.5	3.9	9.2	6.3	0.256

(continued)

Table 5.5 (continued)

Outcome (%)	All Women in Survey Sample	Reached Time Limit and Was Cut Off	At Risk of Being Cut Off	Not at Risk of Being Cut Off	P-Value for Difference Between Groups
Adult/household hardships[g]					
Average number of hardships	2.0	1.9	2.0	2.0	0.975
None	20.8	17.5	21.2	21.4	0.674
1-2	45.7	54.4	43.2	44.5	0.156
3 or more	33.5	28.2	35.6	34.1	0.436
Child hardships[h]					
Average number of hardships	0.16	0.10	0.15	0.18	0.176
None	84.9	90.3	84.7	83.7	0.246
1-2	15.1	9.7	15.3	16.3	0.246
Sample size	689	103	132	454	

SOURCE: MDRC calculations from the Urban Change Respondent Survey.

NOTES: The numbers shown are not statistically adjusted. Analysis of variance and chi-squared tests were applied to test the significance of group differences. Statistical significance levels are indicated as * (.05), ** (.01), *** (.001).

Rounding may cause slight discrepancies in sums and differences.

[a] Respondents were placed in one of four food insecurity categories (secure, insecure without hunger, insecure with moderate hunger, or insecure with severe hunger) based on their scores on the 18-item Household Food Security Scale.

[b] Respondents were placed in one of three child hunger categories (child with hunger, child with reduced quality diet, or no child hunger) based on responses to the eight items on the Household Food Security Scale that concern nutritional status of children under age 18 in the household.

[c] Families have worst-case housing needs if they pay more than 50 percent of their income on rent and utilities and receive no housing assistance.

[d] Respondents indicated whether they had any of the following housing problems: broken windows, leaky roof/ceilings, roaches/vermin, and problems with wiring, plumbing, heating, and appliances.

[e] Respondent or child was robbed, mugged, or attacked or witnessed a violent crime, or reported gang violence in neighborhood.

[f] This item does not take into account those who did not have children at either wave.

[g] The eight hardships used in this index include: food insecurity, receipt of emergency food in prior month, spends more than 50 percent of income (including food stamps) on housing, has two or more housing problems, lives in a dangerous neighborhood, witnessed a violent crime in the neighborhood, respondent ever uninsured in prior year, and family unmet need for medical or dental care.

[h] The three hardships used in this index include: child with hunger, any child uninsured in prior month, and any child under 18 living elsewhere.

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from welfare, losing cash assistance increased the financial strains that Karen and her family experienced.

At the beginning of the study, Karen lived with her husband, three sons, and two nieces. Neither Karen nor her husband were employed, and they relied on cash assistance and related benefits. In the first year of the study, Karen took a job at a factory earning $7.50 per hour, but she quit that job when she was diagnosed with multiple sclerosis. The family relied again on welfare, with some sporadic income from the husband. Over the course of the study, Karen worked intermittently, mostly at short-term, temporary jobs with wages so low that she remained on welfare continuously until she hit the time limit in October 2000.

In addition to health concerns, Karen and her husband were having marital problems, and Karen's children were having problems in school. She confided that her husband was verbally abusive to both her and the children and that he liked to "run the streets and drink," often spending money that the family needed for living expenses. Karen wanted to work, despite her health problems, because her husband was not a reliable source of support for the family. She said: "He would tell me to quit, you know, quit the job, and he would work, you know. But when I tried that before, you know, I was — the bills got behind because he partied with the money." As noted in Chapter 4, working contributed to Karen's concerns about her children and the problems they were having in school: "'Cause, like, when I'm going to work, you know, when I'm going to work they, they're just now coming home from school, they haven't made it in yet; and when I get off work, it's like 12 midnight then, they in bed, you know. So, I didn't see 'em as much."

In the year before hitting the time limit, Karen got a GED and made plans to take some college classes, hoping to become a social worker. At a follow-up interview in October 2000, Karen was taking three college courses, but her household's financial situation was precarious. Her cash benefits had just been cut off because of the time limit, her application for SSI had been denied, she was having a hard time finding a job compatible with her school schedule (which also made it impossible for her to take advantage of Cleveland's Transitional Jobs Program for time-limited terminations), and her husband had quit his job because he was about to be fired. (Her marriage continued to be strained: She had filed for a divorce, although her husband was still living with her.) The family was still getting food stamps and Medicaid, as well as cash benefits for one niece who lived with them, but this income covered only their most basic expenses. Having little money created special hardships for the family. For example, Karen was unable to buy school uniforms for her sons. When she sent them to school in blue jeans and white T-shirts, they were turned away by the school's security guards. Karen tried to explain her situation to the principal, but her sons were suspended for 10 days, and she was told that she could be fined and punished if her children did not start attending school. The Board of Education eventually said that it would help her get appropriate clothing for the children, but Karen had to threaten to call a local television station before the board actually helped her.

After hitting the time limit, Karen and her family continued to struggle financially and materially. Shortly after cash assistance was terminated, Karen started working at a local clothing store that paid low wages but accommodated her school schedule. She quit that job about a month later, shortly before Christmas, and began a second-shift job (from 4 to 11 or 12 P.M.) at McDonald's. She had just finished school for the semester and was not planning to continue classes the following semester because previous student loan problems prevented her from securing additional financial aid. Thus, she began looking for the best job possible. In March 2001, Karen started working part time as a nutritional aide at the Head Start program that her niece had attended. She worked at both this job and McDonald's for about a month and a half but then quit the job at McDonald's. She said: "I just couldn't take it, you know. It was just too strenuous. It was making me sick. You know, you know, by standing up and stuff all the time. . . . So I had to leave."

The Head Start program was not open during the summer, so, at the time of the study's final interview, Karen was working intermittently, filling in at other Head Start programs in the city as needed. She planned to return to this job in the fall, largely because its duties allowed her to rest frequently (accommodating her illness) and the hours coincided with the hours that her children were in school. However, Karen earned only about $250 every other week. Despite her plans to leave her husband the previous year, Karen had not done so. She repeated that he was abusive to her and the children, and she also expressed new concerns that he was using drugs. She said that he had been fairly responsible about paying the bills after he had become employed in early 2001, but she feared that he would soon begin spending all his money on drugs, as he had done in the past.

At the end of the study, Karen felt that she did not have the job skills to get a job that would enable her to be totally self-sufficient, and she was worried about her unstable marriage and her health situation. She was pessimistic about her job prospects, and efforts to upgrade her education credentials had ground to a halt as she struggled to work and care for her own health and her family. She said: "'Cause, I mean, the kind of job I can get . . . like with the experience I have, you know, . . . the kind of jobs I can get ain't, ain't paying much. That's all I can expect, you know. So, I can't really expect much with the experience that I got." She went on to say that food stamps made a substantial difference in her family's circumstances: "Oh, well. It [food stamps] helps. It helps a lot because, you know, you don't have to, you know, take the money and buy food with it. You have to, you know, like excess money you want to have to get shoes or clothes, you know. If it wasn't for the food stamps, especially when I ain't making enough, you know, it's, I would have to, I really wouldn't have nothing, 'cause I don't have to take it and buy, buy the things that they need with it."

Summary and Conclusions

Overall, the Urban Change survey and ethnographic data indicate that respondents' economic circumstances improved from 1998 to 2001 and that there were some significant reductions in the material hardships that they faced. The study documents significant reductions in the receipt of income from TANF and significant increases in income from work, child support, and SSI. Whereas 46 percent of these women's total household income consisted of income from work in 1998, this increased to 63 percent in 2001. Moreover, the total household incomes of working women were double those of nonworking women in 2001. Although the evidence presented in Chapter 3 indicates that welfare reform per se did not cause a change in employment behavior, the evidence presented in Chapter 4 makes it is clear that employment is normative in this population. The findings reported in this chapter indicate that employment contributes substantially to the household economies of these women, increases the economic resources available for them and their children, and reduces somewhat the material hardships that they face.

However, despite significantly increased total household income, asset accumulation, and savings, in 2001, half the women lived in poverty, and 82 percent were within 185 percent of the poverty threshold. Moreover, substantial proportions continued to use noncash benefits and safety net services; income was unstable for many women; debt had increased; levels of material hardships were high; and the women's perceptions were, on average, that their material circumstances were unchanged. The ethnographic evidence suggests that the women employed a lot of different strategies and made large efforts to prevent the emergence of hardships in their lives. The findings in this chapter are consistent with the evidence presented in Chapter 2, which indicates that the welfare administration made substantial efforts to link women and families to the needed services and safety net programs for which they were still eligible.

While neither the improvements in respondents' economic outcomes and material circumstances nor the persistence of high levels of economic disadvantage can be attributed to welfare reform, it is important to remember that these average (and still relatively poor) outcomes were achieved in the context of a strong economy. In 2001, many women and children remained at risk for the wide array of negative outcomes associated with poverty and material deprivation. That levels of hardship and deprivation remained high despite the efforts made by these women and welfare staff in the context of a strong economy raises important questions about how policymakers can better assist low-income working women to achieve self-sufficiency.

The Urban Change survey and ethnographic findings presented in this chapter also address the experiences of women who were terminated from welfare as a result of the time limit or were at risk of being terminated. Women whose cash assistance was terminated because of the time limit had significantly worse economic and material hardship outcomes; however, this was not necessarily an outcome of welfare reform. These women were already the most disadvantaged at the outset of the study. Women who were terminated because of the time limit were the most likely to receive food stamps and Medicaid and were marginally more likely to be on SSI in 2001. This likely reflects both their higher levels of disadvantage and the actions of county staff who sought to make sure that women who were facing termination were linked to programs and services for which they remained eligible. Access to these programs likely mitigated some of the potential for harm associated with loss of cash assistance among women who were unable to work. As the economy weakens and some terminated women experience difficulties maintaining their employment, it will be critical to determine how their economic and material conditions change.

Chapter 6

Neighborhood Indicators and Welfare Reform

The implementation of welfare reform cannot be divorced from its predominately urban context. The bulk of the welfare caseload lives within central cities, and caseload declines have been much slower in urban areas.[1] Within Cuyahoga County, particular neighborhoods stand out with respect to welfare participation where, as is true for many industrial cities, profound inequalities are visible. In fact, Cleveland is among the most economically and racially segregated cities in the nation, making its story of welfare reform a neighborhood story as well.[2]

This chapter describes how Cuyahoga County's neighborhoods fared as welfare reform took shape. The preceding chapters have focused on the effects of reform on welfare agency practices, caseload declines, and recipient families' employment and material well-being. To complete the picture of welfare reform in Cuyahoga County, this report ends by looking at a set of interrelated questions of concern to neighborhoods.

Summary of Findings

- Before welfare reform, Cuyahoga County's welfare recipients disproportionately resided in neighborhoods with high concentrations of welfare receipt and social distress.
- By 2000, as the county's caseload declined by nearly 60 percent, the notion of a neighborhood's being "welfare dependent" virtually ceased to exist — with the exception of a very few neighborhoods, many of which had public housing. Recipients even in the poorest neighborhoods left welfare, resulting in fewer high-welfare neighborhoods.
- Remaining welfare recipients in Cuyahoga County — although less than half their original number — are residentially segregated and socially isolated from nonrecipients.
- After Ohio Works First (OWF) was implemented, none of the neighborhood indicators showed a rate and pattern of change that are consistent with a negative change. For most indicators, there was either little change or change in the positive direction over the study period. For the neighborhood indica-

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[1] Allen and Kirby, 2000.

[2] Coulton, Chow, Wang, and Su, 1996; Jargowsky, 1997; Massey and Denton, 1993.

tors that did show an overall negative trend, the increases predated OWF implementation and may relate to changes in local law enforcement practices.

- During the time period studied (from 1992 to 2000), indicators of social and economic distress were significantly worse in high-welfare neighborhoods than in the other census tracts of the county. While certain neighborhood indicators registered incremental progress, other conditions remained distressingly high.
- The outcomes captured by the social and economic indicators tended to cluster in a few high-risk places. Families who remained on welfare lived in neighborhoods where most of the indicators were extremely negative.
- Despite the clustering of Cuyahoga County's welfare recipients in disadvantaged neighborhoods, place of residence did not seem to affect the employment probabilities of current or former recipients. Recipients in high-welfare neighborhoods were only slightly less likely than their suburban counterparts to combine work and welfare or to leave welfare for work. Work participation, exit, and welfare-to-work rates improved comparably in high- and low-welfare neighborhoods.

Why Focus on Neighborhoods?

A focus on neighborhoods provides the opportunity to address some issues that are beyond the scope of studies focusing solely on families who have relied on welfare. One such issue is the possibility that welfare reform might have unintended consequences. At the outset of welfare reform, some critics conjectured that its provisions would result in worsening conditions for low-income children, families, and neighborhoods. These concerns centered on a larger group of children and families who may not have been on welfare at the time but who lived in the same neighborhoods or had similar economic status to welfare recipients. Moreover, public officials and policy analysts worried that welfare reform might undercut progress that was being made on such urban problems as housing deterioration, crime, and drug trafficking. Some analysts anticipated that a paradoxical effect of welfare reform's successful caseload reduction could be that those remaining on welfare might become increasingly isolated in urban areas of greatest disadvantage. Under such circumstances, they might be harder to serve, and their distress might spill over to the rest of their neighborhood and beyond.

Proponents of welfare reform also expected spillover effects, but in the positive direction. One optimistic point of view suggested that rising levels of employment among welfare recipients might prove beneficial for neighborhood economies, processes, and institutions.

Earnings were expected to more than replace cash aid and to provide the additional benefits of positive role models and structure for daily routines. These ideas about the positive effects of rising employment drew to some degree from the converse: the contention that pervasive joblessness in concentrated-poverty communities brings devastation and disorganization. One study argued that, without employment, the community could lose the regularity of the business day, which ultimately affects meal times, bed times, and other routines.[3] This lack of scheduling further undermines residents' ability to get employment and to accommodate to mainstream institutions such as schools and service agencies.

Also taking the positive view, some expected that time limits on cash assistance and more stringent requirements for child support enforcement would reduce teenage and nonmarital childbearing outside the welfare caseload, by limiting welfare as an option and changing normative expectations. Although there is no evidence of neighborhood effects on nonmarital childbearing among adults, research suggests that teenage childbearing is inversely correlated with social organization and other social influences within the neighborhood.[4]

Neighborhoods might also play an important role in welfare reform because of what are commonly known as "neighborhood effects." A growing number of researchers contend that neighborhoods that lack economic and social resources constrain the ability of families to succeed economically and can have negative influences on developmental outcomes that would predict economic success in the next generation.[5] While there is debate about how and why neighborhood influence processes occur[6] — and uneven and contradictory evidence about how neighborhoods affect employment outcomes[7] — the exploration of neighborhood differences in outcomes related to welfare reform is warranted.

Spillover effects at the neighborhood level may also bear on the ultimate success of welfare reform in large cities. As dynamic and complex social and geographic units, neighborhoods' fortunes are bound up in many ways with the fortunes of their residents. And the prospects for large cities — especially cities with considerable poverty — are linked with the degree to which welfare reform advances rather than diminishes the health and viability of their neighborhoods and residents. Thus, questions about the effects of welfare reform on neighborhoods and residents are of long-term policy interest.

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[3] Wilson, 1996.
[4] Hogan and Kitagawa, 1985.
[5] Wilson, 1987, 1996; Brooks-Gunn, Duncan, Klebanov, and Sealand, 1993; Duncan, 1993.
[6] Jencks and Mayer, 1990; Ellen and Turner, 1997.
[7] Coulton, 2002.

Questions Addressed in This Chapter

Unintended consequences and spillover effects are difficult to detect in narrowly focused evaluations of welfare programs. Such questions can be answered only if the research moves beyond the welfare agency and caseload to a broader community. As a practical matter, though, such community studies are difficult to implement. As a way to address these broader questions and uncertainties, the Project on Devolution and Urban Change included a neighborhood indicators component. The examination of trends in social and economic indicators is an established method of monitoring progress in societies. While the causes of social and economic trends are multiple and difficult to verify, comparisons of trends across places or subpopulations can be informative and revealing. When multiple indicators move in a similar direction, the plausibility of inferences is strengthened. The Urban Change study collected data on multiple social and economic indicators before and after the implementation of welfare reform. The decision to focus on high-welfare neighborhoods was made because that is where the spillover effects and unintended consequences might be observed. By also gathering data on these indicators for the rest of the neighborhoods in the city and county, relevant comparisons could be made.

The neighborhood indicators study uses a variety of measures and spatial analyses to address a set of interrelated questions concerning welfare reform:

- **Welfare concentration and isolation.** Are Cuyahoga County's welfare recipients concentrated in particular neighborhoods? Has the implementation of welfare reform raised or lowered their spatial isolation from the rest of the community?

- **Trends in social and economic indicators.** Is there evidence of positive or negative trends in social and economic indicators for concentrated-welfare neighborhoods over the study period? How have trends in high-welfare neighborhoods differed from trends in the rest of Cleveland and Cuyahoga County?

- **Welfare-to-work outcomes and neighborhood.** How do Cuyahoga County's neighborhoods differ in their welfare-to-work outcomes? Are outcomes related to neighborhood isolation or other neighborhood disparities?

Methodology of the Neighborhood Indicators Study

This chapter provides an analysis of Cuyahoga County's neighborhoods from 1992 through 2000. The focus is on change over time, with special attention to differences between the pre-OWF period (before 1996) and the post-OWF period. Although 1996 is the year that the federal legislation reforming welfare was passed, it is not a clear demarcation of policy change.

OWF's provisions were implemented gradually, and some other welfare changes occurred before 1996. Moreover, the processes through which welfare changes may affect neighborhoods and their residents are likely to have a time lag and may not become apparent for years to come. The time period studied here represents a particular window on the process of welfare reform implementation and neighborhood change — one that was characterized by unprecedented economic growth and expansion of employment-related services — and the findings must be interpreted in this context.

The neighborhood indicators used in this study are typically rates or ratios that are calculated from available data. The indicators are chosen so that they represent the status, at selected points in time, of the population, buildings, services, institutions, or economies in specified geographic areas. The advantages of using aggregate indicators to measure change in neighborhoods and the population residing therein are several.[8] First and foremost, since welfare policy changes were under way before the study began, indicators created from data that have already been collected provide a retrospective baseline. Second, statistical indicators allow many neighborhoods to be studied, because the data sources cover the entire city and county. Third, Geographic Information System (GIS) technology makes it practical to manipulate this sort of data and to build up to the desired units of geography through aggregation. Fourth, the data can be subjected both to traditional time-trend analyses and also to spatial and ecological analyses.[9]

Several limitations arise as well from using available indicators. First, these indicators are typically constructed from data collected for administrative, not research, purposes. Thus, they may be proxies only for the concepts of interest. A second problem with administrative data for use in research is the possible bias introduced by reporting practices. For example, crimes are known to be underreported to the police,[10] law enforcement jurisdictions differ in their response to crime reports,[11] and practices within jurisdictions change over time. These factors can affect whether a crime record is generated and how the crime is classified. Child abuse and neglect reports are vulnerable to similar problems.[12]

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[8] Coulton, 1997.

[9] A cautionary remark is in order about the interpretation of relationships among statistical indicators. Because they are calculated through aggregations of people, houses, businesses, streets, buildings, and so on, they are limited in the degree to which they can be used to draw conclusions about individuals. This is especially true when there is an interest in the correlation or causal relationship among concepts measured as aggregate variables. The "ecological fallacy" has demonstrated that these correlations when calculated from aggregate data often differ markedly from those derived from micro-level data. Nevertheless, aggregate variables are legitimate measures of ecological phenomenon such as neighborhood conditions and characteristics of neighborhood residents. It is important, however, that the theory and hypotheses that drive the analyses be pertinent to the aggregate units rather than the individual cases that go into the aggregate measure.

[10] O'Brien, 1985.

[11] Sherman, Gartin, and Buerger, 1989.

The social indicators were prepared for this project by the Center on Urban Poverty and Social Change at Case Western Reserve University. All data were geocoded using the address of the incident or property and aggregated to the census-tract level. Many of the indicators were standardized for the size of the residential population. The census-tract population size was calculated for inter-census years using population estimates from a commercial vendor that were benchmarked to the decennial counts for 1990 and 2000. The census tract is a geographic unit defined by the U.S. Bureau of the Census in collaboration with local advisors. Although not "real" neighborhoods, census tracts are relatively small and homogenous and are the most commonly used research proxy for neighborhood. In Cleveland, census tracts can be aggregated into Statistical Planning Areas that have known and recognizable meanings locally.

Table 6.1 presents a list of social and economic indicators that were calculated for each neighborhood in Cuyahoga County. The indicators are organized by data source. Several of the indicators were chosen because they speak to concerns about the potential negative effects of welfare reform on children, families, and neighborhoods. For example, rates of child maltreatment, domestic violence, crime, and drug arrests can all be viewed as basic measures of risk of distress. The teenage birth rate and the percentage of births to unmarried women were selected as informative in the national and local debate about the effects of welfare reform on childbearing and family formation. Adequacy of prenatal care was chosen as an indicator of both access to care and maternal health. Property data provide a limited but useful perspective on the real estate market and housing conditions in neighborhoods and were among the only annual economic indicators that were practical to obtain at the neighborhood level. Additionally, welfare participation and unemployment insurance (UI) wage records were used to construct several aggregate measures of welfare receipt and employment. These data sources are described in Chapter 3. For the neighborhood study, the welfare records were geocoded using the home address associated with the active case and aggregated to the census-tract level. These geocoded data were then used to create census-tract-level welfare concentration rates, which are simply the annual average cash caseload counts, including adult and child-only cases, divided by the total population.

The individual-level welfare and UI wage records were linked to create employment indicators. The UI records do not have residential address information but can be merged with welfare records, which carry neighborhood assignment. Employment was calculated by quarter for the

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[12] O'Toole, Turbett, and Nalpeka, 1983.

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Table 6.1

Social and Economic Indicators and Data Sources

Domain	Indicators	Data Source
Economic	Median value of single-family dwellings Tax-delinquent properties as percentage of total properties	Cuyahoga County Auditor's property tax files
Births	Percentage births with adequate prenatal care Percentage births to unmarried mothers Teen birth rate	Ohio Department of Health, Vital Statistics Division
Child maltreatment	Percentage children with a substantiated child abuse or neglect report	Cuyahoga County Department of Children and Family Services
Crime and violence	Violent crime rate per 100,000 population Property crime rate per 100,000 population Drug-related arrests per 100,000 population Domestic violence per 100,000 population	Part I Crime Records
Work and welfare	Welfare participation rate Work participation rate for welfare recipients Welfare exit rate Welfare-to-work transitions	Welfare and UI wage records

individuals who lived in the neighborhood during that quarter.[13] Then the rates were averaged across quarters and aggregated to the census tract to yield annual neighborhood-level estimates.

Cuyahoga County's Neighborhoods

Cleveland is a city of neighborhoods with considerable uniqueness and identity. The map in Figure 6.1 shows the boundaries of the census tracts within Cleveland's 36 Statistical Planning Areas (SPA) and of the more than 50 suburban municipalities in Cuyahoga County. The SPA boundaries, although designated by the city, are widely acknowledged in the community as neighborhoods. However, they do not comport with what residents often think of as their

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[13] For welfare recipients who moved and had multiple addresses within a quarter, the last known address in a quarter was picked. Between 2 percent and 6 percent of the cases had three addresses in a quarter.

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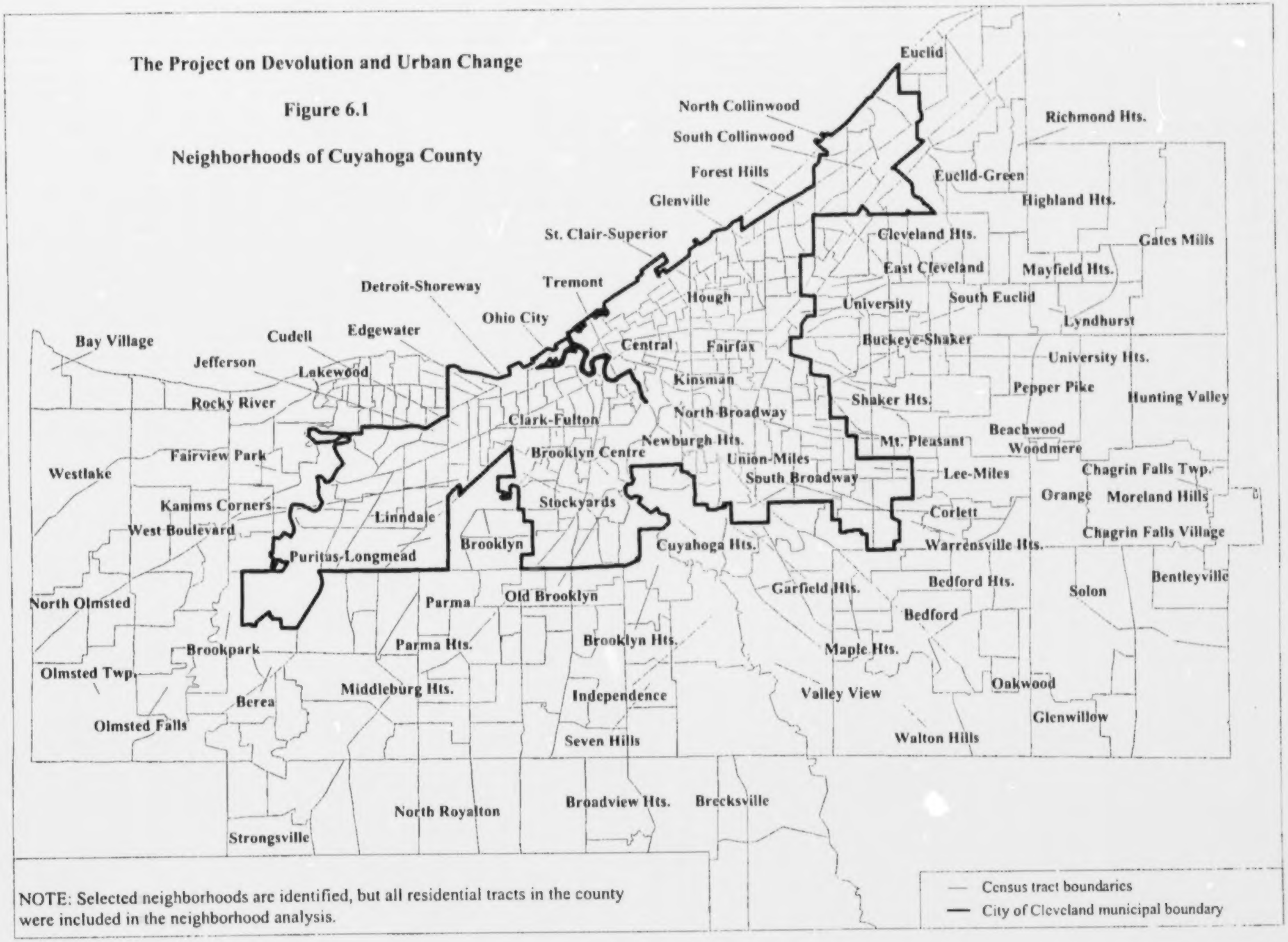
Figure 6.1

Neighborhoods of Cuyahoga County


Euclid
North Collinwood
South Collinwood
Forest Hills
Glenville
St. Clair-Superior
Tremont
Detroit-Shoreway
Ohio City
Edgewater
Cudell
Bay Village
Jefferson
Lakewood
Rocky River
Richmond Hts.
Euclid-Green
Highland Hts.
Gates Mills
Cleveland Hts.
East Cleveland
Mayfield Hts.
Hough
University
South Euclid
Lyndhurst
Central
Fairfax
Buckeye-Shaker
University Hts.
Kinsman
Pepper Pike
Hunting Valley
Shaker Hts.
North Broadway
Clark-Fulton
Beachwood
Mt. Pleasant
Woodmere
Newburgh Hts.
Brooklyn Centre
Union-Miles
Westlake
Fairview Park
Lee-Miles
Chagrin Falls Twp.
South Broadway
Orange
Moreland Hills
Kamms Corners
Stockyards
Linndale
Corlett
West Boulevard
Chagrin Falls Village
Brooklyn
Cuyahoga Hts.
Warrensville Hts.
Puritas-Longmead
Bedford Hts.
Bentleyville
Solon
Garfield Hts.
North Olmsted
Parma
Old Brooklyn
Bedford
Brooklyn Hts.
Parma Hts.
Brookpark
Maple Hts.
Olmsted Twp.
Middleburg Hts.
Independence
Valley View
Oakwood
Berea
Olmsted Falls
Glenwillow
Seven Hills
Walton Hills
Broadview Hts.
Brecksville
North Royalton
Strongsville
Census tract boundaries
City of Cleveland municipal boundary

NOTE: Selected neighborhoods are identified, but all residential tracts in the county were included in the neighborhood analysis.

neighborhood, which is a much smaller space.[14] Census tracts more closely resemble the size of neighborhoods in the residential sense. Within each SPA and suburban municipality, there are between 4 and 12 census tracts.[15]

The history of many Cleveland neighborhoods begins with the rapid industrialization of the area in the early 1900s and the influx of immigrants from Europe and, later, of African-Americans from the South. Both groups tended to settle in their own areas and to work nearby. While the factories are now gone to a great extent, the housing stock built for industrial workers' families remains in quite a few of the neighborhoods. In these locations, the homes are largely single- or two-family structures made of wood, with an average age of more than 80 years. Other neighborhoods were built later or had larger homes with multi-family units along major streets. Cleveland was basically built up residentially by 1950, and it is only during the last 10 years that fill-in construction of new homes has taken place on lots that were vacant following demolition.

The neighborhoods of Cleveland have been thinning in their population base since 1950, with the greatest population decline occurring in the lowest-income neighborhoods. Some of these neighborhoods in the 1960s and 1970s had little ability to protect themselves from so-called urban renewal and the construction of highways through their middle. In the 1980s, neighborhoods farther out began to loose population, especially among the middle class. Housing was lost as the market declined and properties were foreclosed, abandoned, and cleared. In the 1990s, though, there was a critical mass of revitalization and building in selected neighborhoods, and the population began to level off.

The ethnic mix in Cleveland today is largely viewed as white and African-American, and the neighborhoods are extremely segregated in this regard. A relatively small but growing Latino population resides in several neighborhoods on the near west side, and the Asian population is quite dispersed. Compared with neighborhoods in other cities, though, Cleveland's neighborhoods have not yet been affected by the high levels of immigration.

The foregoing economic and demographic forces have shaped the institutions and traditions in all of Cleveland's neighborhoods over the years. One of the strongest signs of the city's industrial and immigrant past, for example, is the number of neighborhood centers, many following the settlement-house tradition. Faith-based organizations have helped to shape the neighborhoods and have adapted to changing populations and conditions. Cleveland is recognized as having a premier set of local development corporations that are active in supporting development in almost every neighborhood.

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[14] Coulton, Korbin, Chan, and Su, 2001.

[15] The analysis excludes 31 nonresidential tracts, which are defined as places that account for fewer than 100 residents.

The suburban municipalities surrounding Cleveland also vary considerably in age, housing stock, and history. Some of the older, industrialized suburbs — like many city neighborhoods — have experienced population loss and economic decline. Other of the older, residential suburbs have retained much of their population and prosperity. But all areas are competing with the newer outlying suburbs, which have large sectors of industrial and housing development.

These overall patterns of industrial decline and relocation, quality of housing stock, market demand, and population movement have conditioned where welfare recipients reside in Cuyahoga County. The quality of life and opportunities in neighborhoods are also tied to these forces, to some degree. While each neighborhood's picture is unique, these forces have been felt to varying degrees in many metropolitan areas.

Findings

Welfare Concentration and Isolation

Families who receive cash assistance are not evenly dispersed throughout Cuyahoga County but cluster in a set of neighborhoods that are largely contiguous. These spatial patterns have led to serious concerns about the concentration and isolation of welfare recipients and the resulting limitations on their opportunities. An important question is whether these patterns of concentration have changed as welfare reform has been implemented.

Three commonly used indices are included in this analysis of welfare concentration:[16]

- **The *concentration index* reflects the percentage of cash welfare recipients who live in locations that are extremely high on welfare reliance.** Specifically, its calculation is based on previous research that established a 40 percent poverty rate as a threshold for defining extreme poverty.[17] Adapting this convention to welfare, extreme tracts are defined as those in which the ratio of welfare recipients to total population exceeds .20.[18] This index is sensitive to the number of tracts that exceed the 20 percent threshold.[19]

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[16] Coulton, Chow, Wang, and Su, 1996; Massey and Eggers, 1993; Massey and Denton, 1988.

[17] Jargowsky, 1997.

[18] There is a strong correlation between the 1990 poverty rate and the annual welfare concentration (.92 in 1992 and .88 in 2000). Thus, the annual measure of welfare concentration provides a fairly good proxy for poverty in the pre-TANF period.

[19] It was necessary to use total population for this index because that was the only fairly reliable population count available at the census-tract level in years between the censuses. However, the population of women (continued)

- **The *dissimilarity index* is a measure of segregation.**[20] This index indicates what share of the county's cash welfare population would have to move to another census tract in order to have equal representation in each census tract.[21]

- **The *isolation index* represents the chances that welfare recipients will not be exposed to the nonwelfare population.**[22] It is based on calculating the probability of noninteraction between two groups within census tracts.[23]

Trends in the neighborhood distribution of the population receiving cash welfare are displayed in Figure 6.2. The *concentration index* shows a steep decline after the implementation of welfare reform. The percentage of cash welfare recipients living in high-welfare tracts fell steadily, from a high of 70 percent to a low of less than 20 percent. This decline mainly reflects falling caseloads, which put many tracts below the high-welfare threshold. Although the threshold is somewhat arbitrary, there is some evidence that thresholds do matter and that extremes either represent qualitatively different environments or foster social processes that produce negative outcomes.[24] If such is the case with respect to cash welfare reliance, falling concentration may be a positive sign for some of these neighborhoods.

The *dissimilarity index* remains quite high and did not change significantly following welfare reform. The dissimilarity index trend differs from the concentration index because it

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under 60 and children would have been a better denominator for welfare concentration. This ratio was calculated for 2000, and it was found that most of the neighborhoods that were labeled concentrated because they exceeded .20 actually had more than 40 percent of women and children on welfare. Thus, the threshold is fairly equivalent to that suggested by Jargowsky (1997) for poverty concentration.

[20] Massey and Denton, 1988; Abramson, Tobin, and VanderGoot, 1995; Jargowsky, 1997.

[21] The D-index is calculated as:

$$D = .5\sum_{i} |q_i - r_i|,$$

where q_i is the welfare population and r_i represents the share of all persons not on welfare living in the census tract.

[22] Lieberson, 1980; Massey and Eggers, 1993.

[23] In this case, it is 1 minus the probability that a cash welfare recipient will encounter a nonwelfare recipient. It is calculated as:

$$P = \sum_{i} q_i [y_i / t_i],$$

where q_i represents the share of a given subpopulation (for example all welfare recipients) living in census tract i; y_i is the number of persons not in the specified subpopulation living in census tract i; and t_i is the total population of census tract i. The P-index "is the minority-weighted average of each census tract's majority proportion" (Massey and Denton, 1988, p. 288). 1-p can be interpreted as in index of isolation, with a higher value meaning more isolation. This index is sensitive to the relative size of the minority group.

[24] Galster, Quercia, and Cortes, 2000; Jargowsky, 1997.

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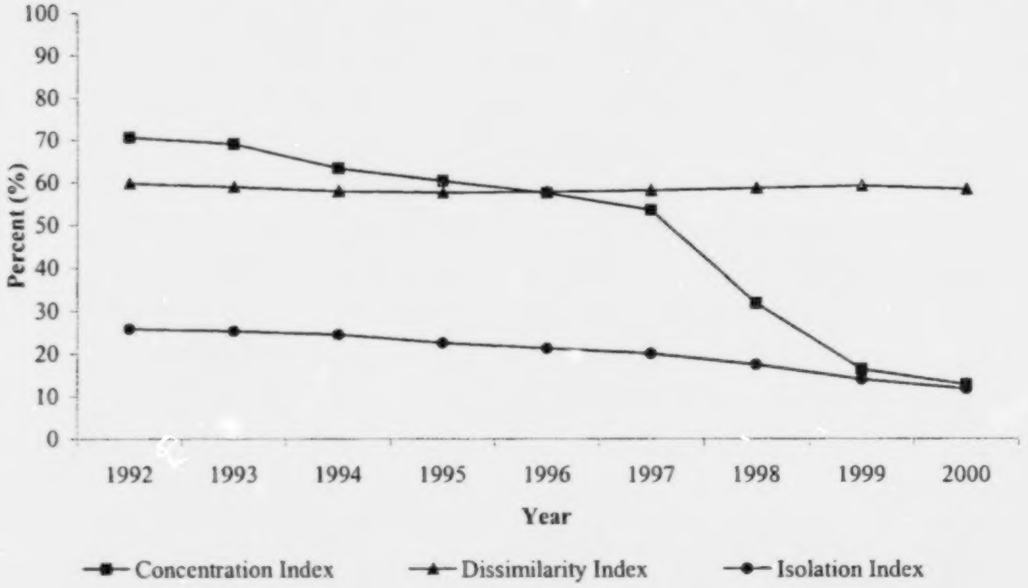
Figure 6.2

Annual Welfare Concentration and Isolation, Cuyahoga County, 1992-2000



SOURCE: MDRC calculations from Cuyahoga County Income Maintenance Files data.

NOTE: Calculations are for single- and two-parent families.

does not depend on exceeding some threshold. If the remaining caseload, albeit smaller, remains similarly overrepresented in particular neighborhoods and underrepresented in others, the dissimilarity index will not change. Thus, the remaining welfare population is highly segregated from the population as a whole — with all the disadvantages that that implies.

The *isolation index* shows a modest decrease over time. To some degree, this reflects the combination of a falling concentration of cash welfare recipients and steady, high segregation. Since the absolute size of the caseload fell but the disproportionality across neighborhoods remains similar, there is only a small decline in the isolation of the remaining caseload. This trend suggests that the relative exposure within neighborhood to the population on welfare as opposed the nonwelfare population has fallen somewhat, fostering a rather small rise in opportunities for cash welfare recipients to interact with neighbors who do not rely on cash assistance.

Each of the indices in Figure 6.2 reflects a different aspect of the neighborhood distribution of welfare, with the most profound changes being seen in the number of neighborhoods that can are classified as high-welfare. The specific geography of this concentration and how it changed can be seen by comparing two maps of the high-welfare neighborhoods in the county. Figure 6.3 presents a map of Cuyahoga County that shows the pockets of welfare concentration from 1992 to 1995, before welfare reform. The dark areas of the map are census tracts in which the average ratio of the cash welfare caseload to the overall population exceeds 20 percent. According to this criterion, it can be seen that, before reform, large sections of the city fell into the category of high welfare concentration. A few suburban neighborhoods also surpassed this threshold. After 1996, though, the number of concentrated welfare tracts began to decline, and many formerly high-welfare areas dropped below the 20 percent threshold by the end of 2000. However, the bulk of the remaining caseload continues to live in the City of Cleveland. In 1992, approximately 75 percent of the welfare caseload were residing within city boundaries. Despite falling caseloads, the spatial distribution of welfare recipients remains relatively unchanged.. Figure 6.4 presents a map that shows the tracts that remain highly concentrated and those that are deconcentrated with respect to the welfare-reliant population.

Further exploration of the rate of decline in welfare caseloads within these two types of tracts reveals some important patterns. Among the 52 tracts that remained highly concentrated in 2000, at the end of the study period, most had a high base rate (39 percent of the people on welfare); in other words, in 1992, these tracts had an extreme proportion of the population reliant on cash welfare. Moreover, these tracts had a rate of caseload decline that was below the county's average (56 percent in high-welfare tracts, compared with 58 percent in the county). Another feature of the remaining areas of welfare concentration is that a significant number of them have public housing. This is especially true of the high-welfare tracts remaining in Central, Hough, Kinsman, Ohio City, and Tremont. Conversely, the deconcentrated tracts started with a lower base rate (28 percent) and experienced a somewhat higher caseload decline (64 percent). There were a few exceptions to this general rule, though, in that several areas with a higher base rate experienced an above-average decline, leading them to fall below the 20 percent threshold by 2000. Some of these tracts are in Central, Corlett, Cudell, Detroit-Shoreway, East Cleveland, Glenville, Hough, Mt. Pleasant, North Broadway, Ohio City, Tremont, and Union-Miles.

Neighborhood Trends in Social and Economic Indicators

Since the cash welfare population of Cuyahoga County was highly concentrated in particular neighborhoods before welfare reform, the subsequent health and well-being of these neighborhoods and their residents are of great concern and interest. It is in these places that unintended consequences and spillover effects of welfare reform could be revealed. As shown, the high-welfare neighborhoods began with large proportions of welfare families who may have been directly affected by new welfare programs and policies. Moreover, many low-income

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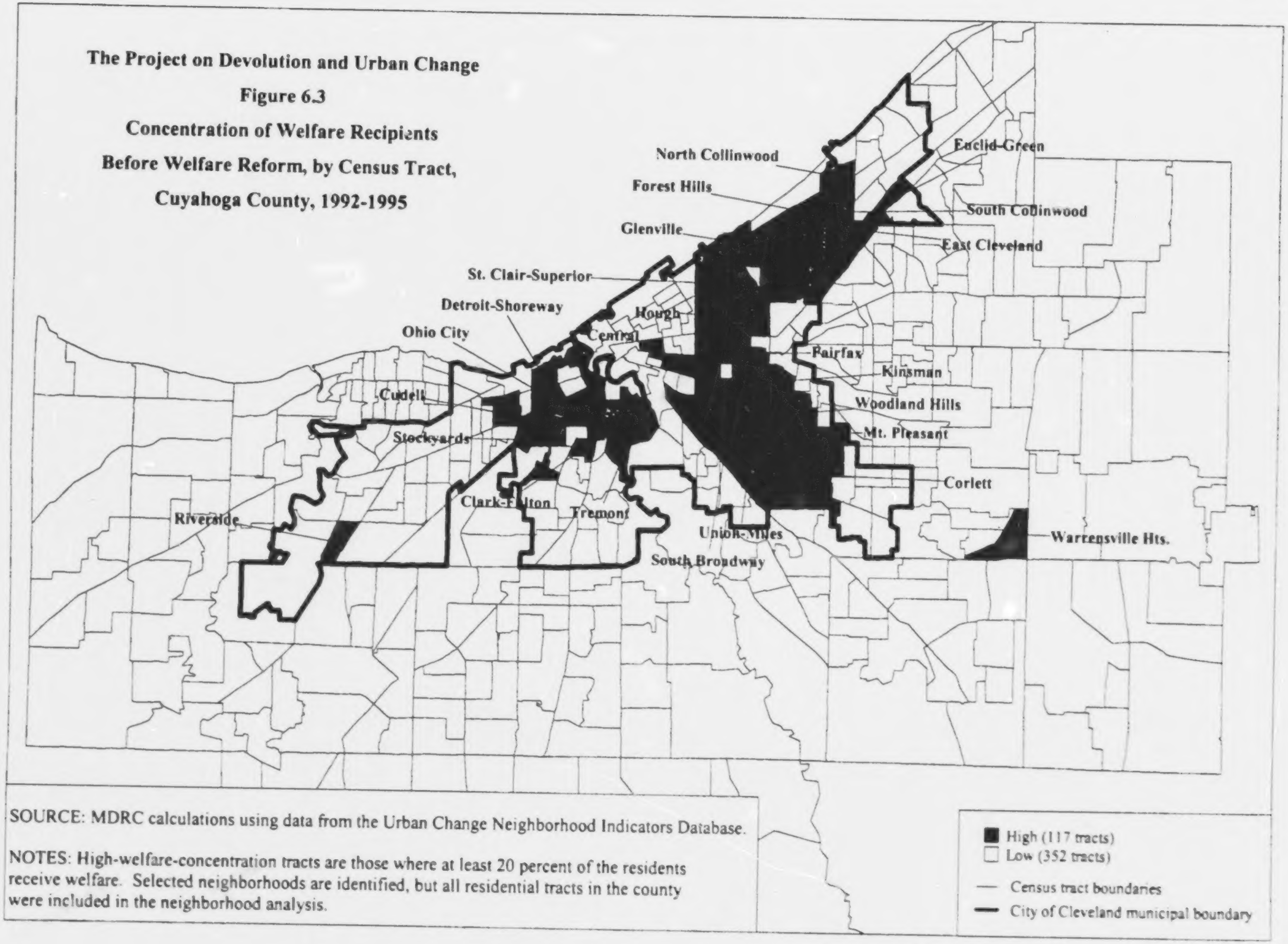
Figure 6.3

Concentration of Welfare Recipients Before Welfare Reform, by Census Tract, Cuyahoga County, 1992-1995


North Collinwood
Euclid-Green
Forest Hills
South Collinwood
Glenville
East Cleveland
St. Clair-Superior
Detroit-Shoreway
Hough
Ohio City
Central
Fairfax
Kinsman
Cudell
Woodland Hills
Stockyards
Mt. Pleasant
Corlett
Clark-Fulton
Tremont
Riverside
Union-Miles
Warrensville Hts.
South Broadway
■ High (117 tracts)
☐ Low (352 tracts)
— Census tract boundaries
— City of Cleveland municipal boundary

SOURCE: MDRC calculations using data from the Urban Change Neighborhood Indicators Database.

NOTES: High-welfare-concentration tracts are those where at least 20 percent of the residents receive welfare. Selected neighborhoods are identified, but all residential tracts in the county were included in the neighborhood analysis.

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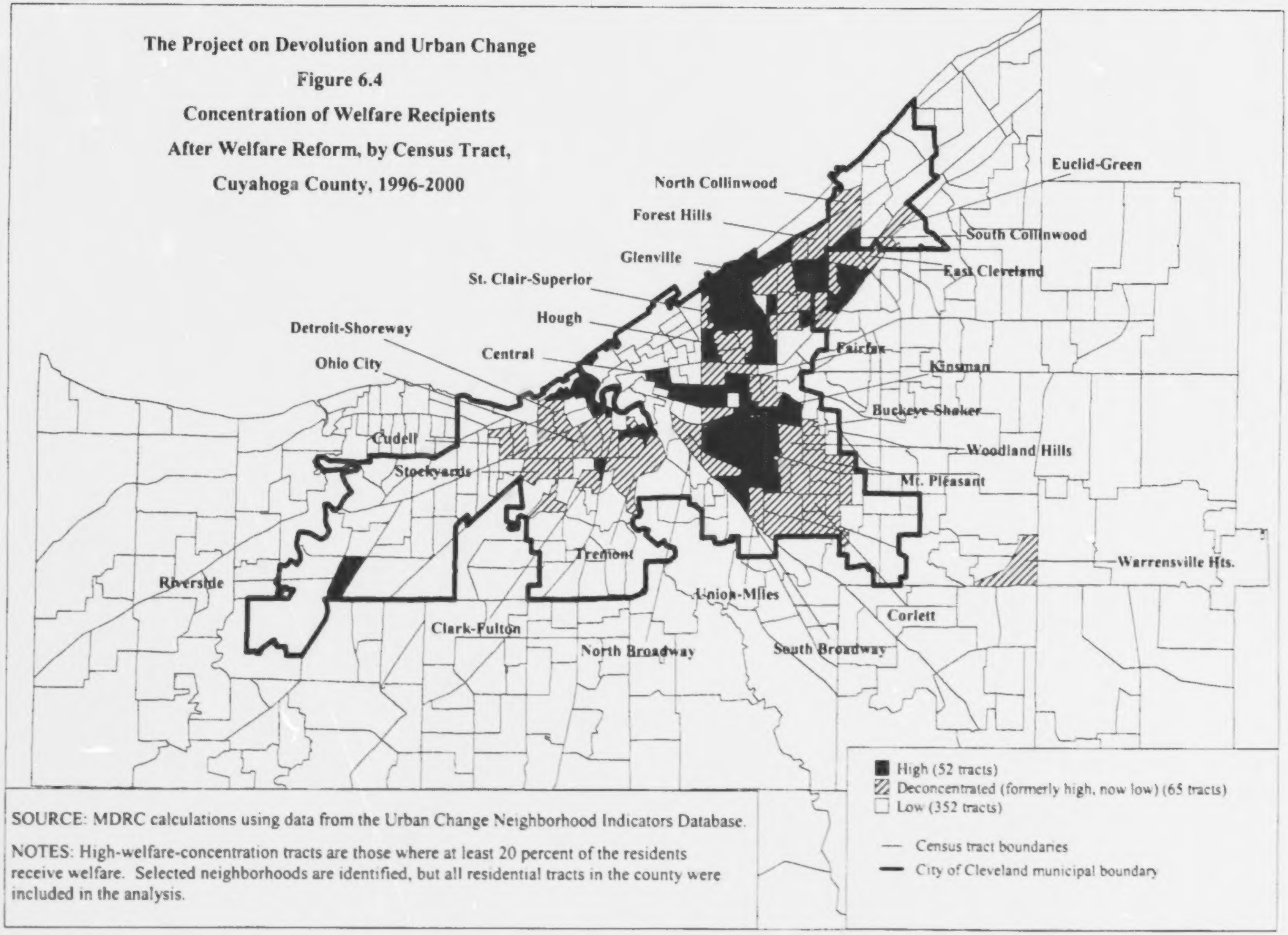
Figure 6.4

Concentration of Welfare Recipients
After Welfare Reform, by Census Tract,
Cuyahoga County, 1996-2000


North Collinwood
Forest Hills
Glenville
St. Clair-Superior
Hough
Detroit-Shoreway
Central
Ohio City
Cudell
Stockyards
Riverside
Tremont
Clark-Fulton
North Broadway
Union-Miles
South Broadway
Corlett
Euclid-Green
South Collinwood
East Cleveland
Fairfax
Kinsman
Buckeye-Shaker
Woodland Hills
Mt. Pleasant
Warrensville Hts.
■ High (52 tracts)
▨ Deconcentrated (formerly high, now low) (65 tracts)
☐ Low (352 tracts)
— Census tract boundaries
— City of Cleveland municipal boundary

SOURCE: MDRC calculations using data from the Urban Change Neighborhood Indicators Database.

NOTES: High-welfare-concentration tracts are those where at least 20 percent of the residents receive welfare. Selected neighborhoods are identified, but all residential tracts in the county were included in the analysis.

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working families whose options or behaviors may have been similarly influenced also resided in these neighborhoods.[25]

Several analyses are presented here to examine questions related to neighborhood conditions and welfare reform. This section begins with a comparison of selected neighborhood social, economic, and health indicators for high-welfare neighborhoods (that is, neighborhoods that exceeded an average .20 welfare concentration for the period from 1992 to 1995) with the trends for neighborhoods in the balance of the county[26]. Annual indicators are compared to assess whether the social trends differed over time by neighborhood classification. Using the same data, a second set of trends is presented for pre-OWF high-welfare neighborhoods only, and the focus is on assessing change relative to 1996, the year when Temporary Assistance for Needy Families (TANF) was created by federal law. The latter analysis addresses the question of whether undesirable neighborhood conditions have become more prevalent in high-welfare neighborhoods since the implementation of welfare reform. The section ends with a look at the relationship among the indicators and the spatial clustering of social disadvantage.

Trends in High-Welfare Neighborhoods and the Balance of the County

Birth trends. The first set of indicators comes from vital records and appears in Figures 6.5 to 6.7. The percentage of births to unmarried mothers is the ratio of unmarried births to total births. This rate held steady in all years in high-welfare neighborhoods and was flat, although markedly lower, in the balance of the county. The teen birth rate (per 1,000 female teenagers) clearly declined over the period. At the end of the time series, the teen birth rate in the original set of high-welfare neighborhoods dropped to the point that it was very close to the rate for the balance of the county; however, this downward trend was well in place before welfare reform. The percentage of births with adequate prenatal care rose slightly in all neighborhoods but continued to be marginally lower in high-welfare neighborhoods than in the balance of the county.

Child maltreatment. Child maltreatment is based on child abuse and neglect reports made to the Cuyahoga County Department of Family and Children's Services. Each of these reports is investigated, and, if there is sufficient evidence, the investigator determines the report to be substantiated or indicated. Otherwise, the report is unsubstantiated. The child maltreatment rate is the number of substantiated or indicated incidents of child abuse or neglect per 1,000 children. As shown in Figure 6.8, high-welfare neighborhoods exceeded the balance of the county on this indicator for all years. The trend in the child maltreatment rate in high-welfare

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[25] This is an ecological analysis that takes the neighborhood population at a point in time as a unit. Because of population turnover, the individuals are not necessarily the same from year to year.

[26] The balance of the county area includes census tracts located within the City of Cleveland that do not exceed the .20 welfare concentration threshold.

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Figure 6.5

Births to Unmarried Women as a Percentage of All Births, by Pre-OWF (1992-1995) Welfare Concentration

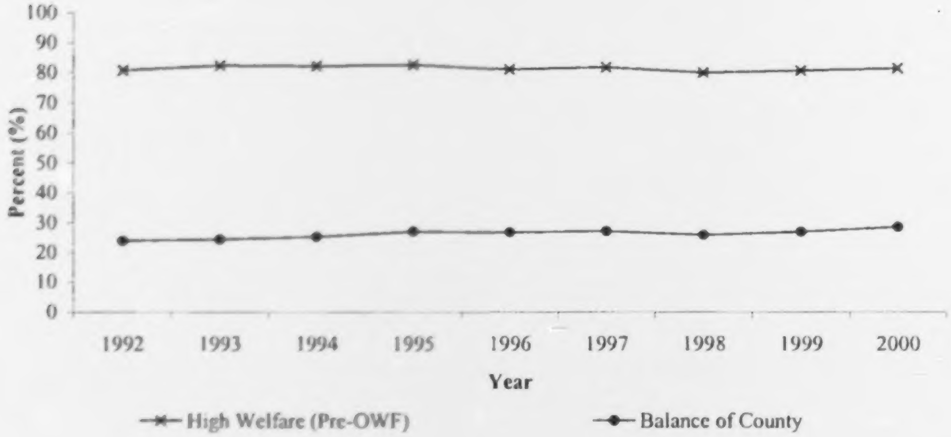
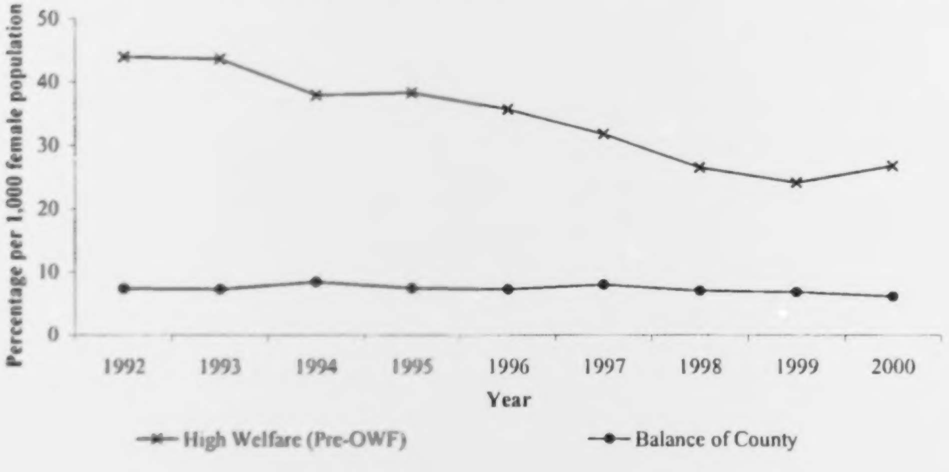


Figure 6.6

Teen Birth Rate, by Pre-OWF (1992-1995) Welfare Concentration



SOURCE: MDRC calculations using data from the Urban Change Neighborhood Indicators Database.

NOTE: There are 117 neighborhoods that are defined as high welfare pre-OWF (1992-1995). High-welfare neighborhoods are those with welfare receipt rates of at least 20 percent.

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Figure 6.7

Percentage of Births with Adequate Care, by Pre-OWF (1992-1995) Welfare Concentration

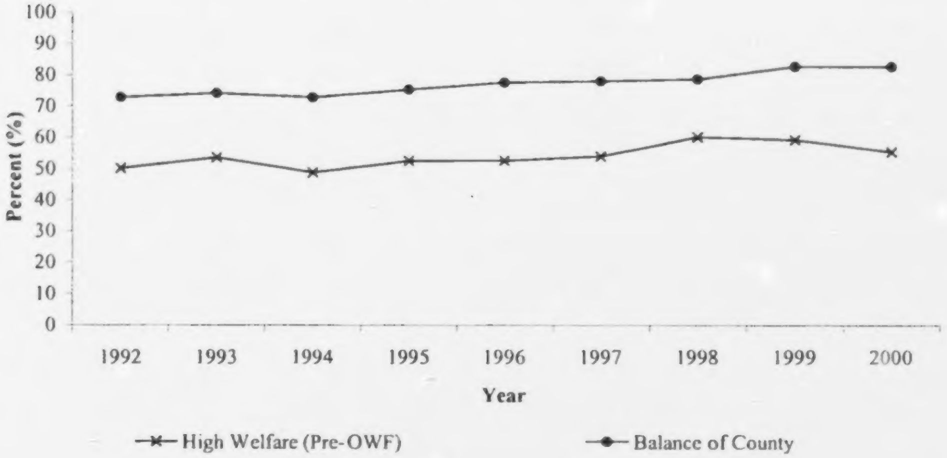
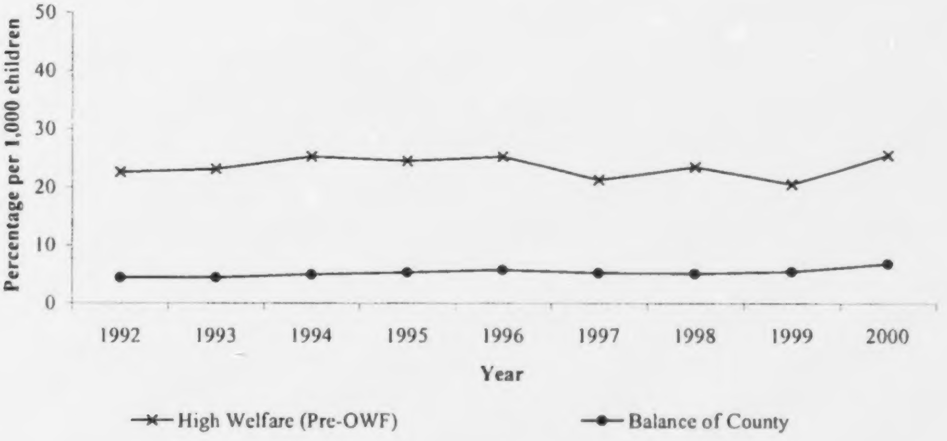


Figure 6.8

Child Maltreatment Rate, by Pre-OWF (1992-1995) Welfare Concentration



SOURCE: MDRC calculations using data from the Urban Change Neighborhood Indicators Database.

NOTE: There are 117 neighborhoods that are defined as high welfare pre-OWF (1992-1995). High-welfare neighborhoods are those with welfare receipt rates of at least 20 percent.

neighborhoods and the balance of the county varied somewhat during the years after welfare reform, but the period ended with an increase.[27]

Crime and violence. Reports made to the police are the source of data for these indicators, which use the crime categories that are considered serious in the reporting system. The overall rates of violent and property crimes per 100,000 population appear in Figures 6.9 and 6.10. Violent crime rates declined steadily from 1992 to 2000, although they were consistently higher in high-welfare neighborhoods than in the balance of the county. Property crime rates in high-welfare neighborhoods were also higher.

Two other indicators of crime and violence are also included, but it should be noted that these are more vulnerable to changes in reporting, surveillance, and enforcement practices than are the serious violent and property crimes reported above. Drug arrests (Figure 6.11) rose after welfare reform, but this trend was observed in all types of neighborhoods. Nevertheless, high-welfare neighborhoods were consistently higher on this indicator. Reports of domestic violence incidents (Figure 6.12) increased, regardless of neighborhood classification, possibly because federal and state legislation in the early to mid 1990s affected police practices with respect to filing reports when victims of domestic assault were reluctant to do so. The domestic violence trend in welfare neighborhoods closely tracked the trend in the balance of the county.

Economic indicators. Indicators of neighborhood economic conditions come from the Cuyahoga County Auditor's property tax files. Figure 6.13 displays trends in the assessed value of single-family homes. This indicator reflects the relative quality and strength of demand for housing. The property values in high-welfare neighborhoods have increased in recent years, consistent with the overall rise in the city's property values. Figure 6.14 shows the percentage of parcels that were tax-delinquent from 1992 to 1995. Tax delinquency is often a precursor to abandonment or foreclosure and can be a sign of distress in the housing market or the economic status of the population. High-welfare neighborhoods and the remaining areas of the county as a whole experienced an upward trend in tax delinquencies after 1996, and this leveled off by 2000.

Table 6.2 presents a summary of all the trends examined here. For each indicator, the table reports two pieces of information: (1) whether the average change in the condition is statistically significant and (2) a description of the post-OWF trend in high-welfare neighborhoods and the balance of the county. As shown in the second column of the table, the average change in conditions from before to after reform, regardless of neighborhood classification, was posi-

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[27] Although the overall child maltreatment rate has been declining, other studies have documented a rising number of children in foster care during the same period. The studies suggest that length of stay in foster care has risen, leading to a higher count of children in the system at a point in time (Wells, Guo, and Li, 2000). It was not possible to develop a neighborhood measure of foster care for this study because children in foster care are often placed outside their neighborhood.

Figure 6.9

Incidence of Violent Crime per 100,000 Population, by Pre-OWF (1992-1995) Welfare Concentration

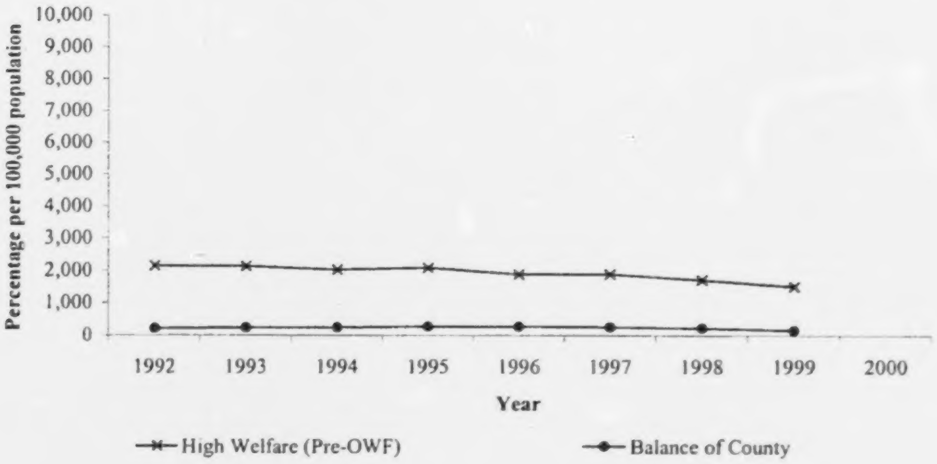
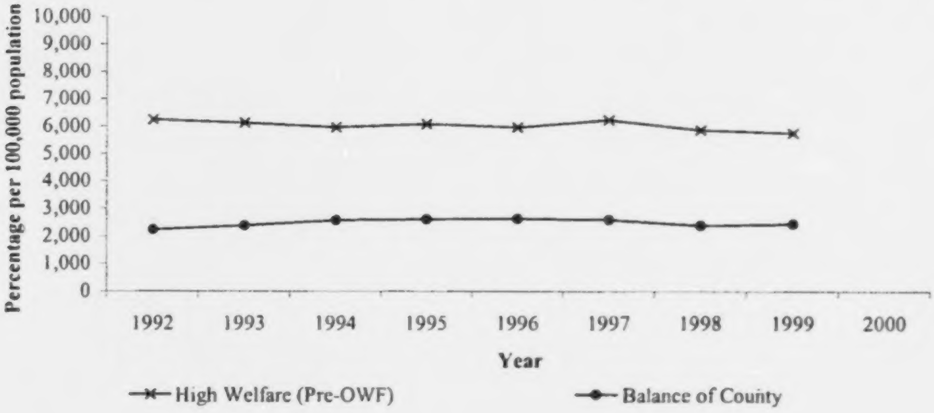


Figure 6.10

Incidence of Property Crime per 100,000 Population, by Pre-OWF (1992-1995) Welfare Concentration



SOURCE: MDRC calculations using data from the Urban Change Neighborhood Indicators Database.

NOTES: There are 117 neighborhoods that are defined as high welfare pre-OWF (1992-1995). High-welfare neighborhoods are those with welfare receipt rates of at least 20 percent.

Complete year 2000 data were not available at the time of this analysis.

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Figure 6.11

Incidence of Drug Arrests per 100,000 Population, by Pre-OWF (1992-1995) Welfare Concentration

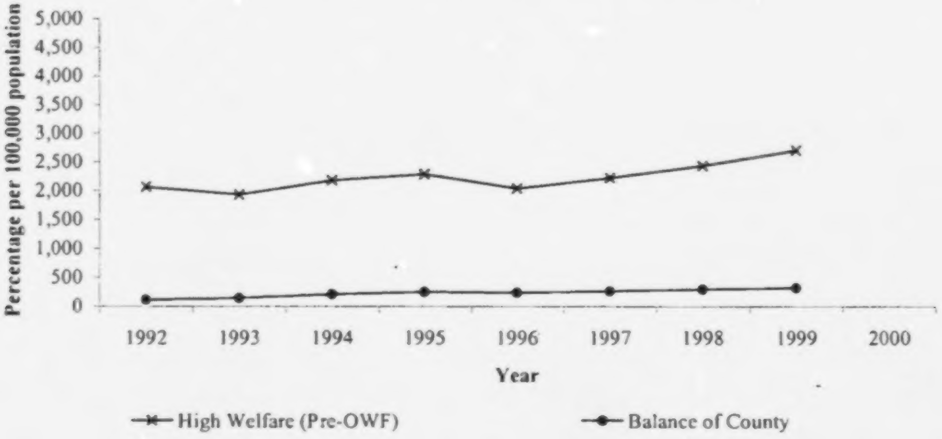
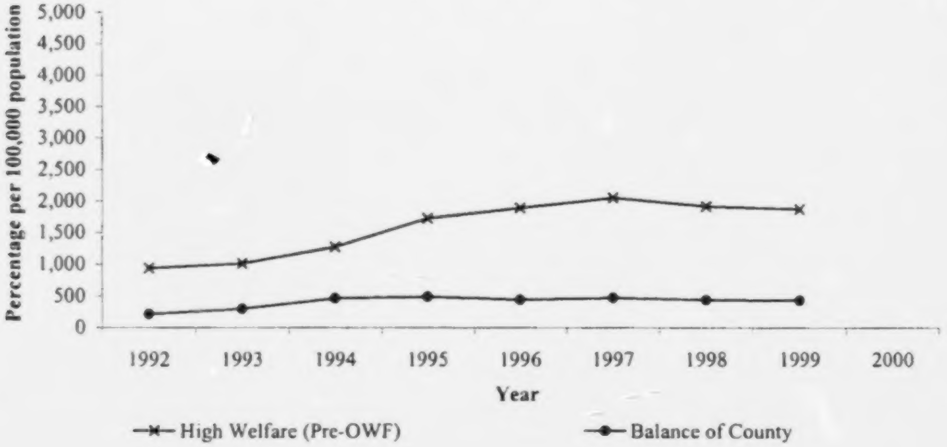


Figure 6.12

Incidence of Domestic Violence per 100,000 Population, by Pre-OWF (1992-1995) Welfare Concentration



SOURCE: MDRC calculations using data from the Urban Change Neighborhood Indicators Database.

NOTES: There are 117 neighborhoods that are defined as high welfare pre-OWF (1992-1995). High-welfare neighborhoods are those with welfare receipt rates of at least 20 percent.

Complete year 2000 data were not available at the time of this analysis.

Figure 6.13

Median Value of Single-Family Homes, by Pre-OWF (1992-1995) Welfare Concentration

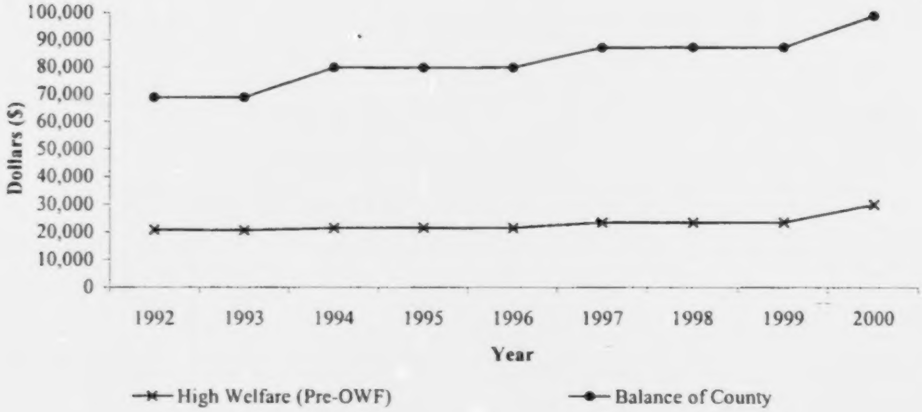
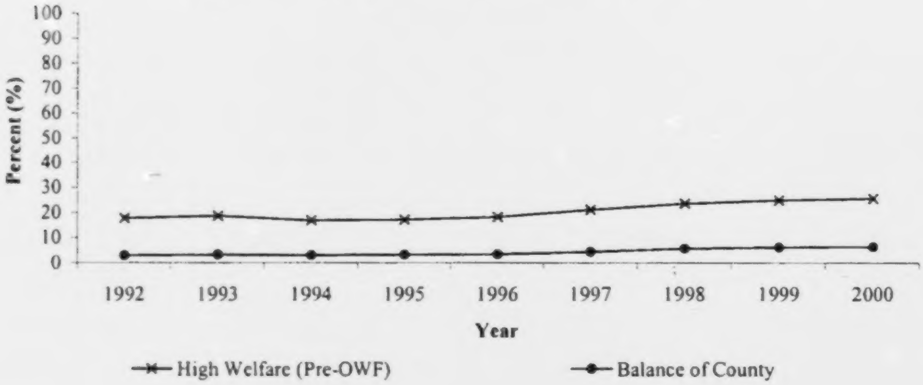


Figure 6.14

Percentage of Single-Family Tax-Delinquent Parcels, by Pre-OWF (1992-1995) Welfare Concentration



SOURCE: MDRC calculations using data from the Urban Change Neighborhood Indicators Database.

NOTES: There are 117 neighborhoods that are defined as high welfare pre-OWF (1992-1995). High-welfare neighborhoods are those with welfare receipt rates of at least 20 percent.

Property values are reappraised every three years, therefore remaining fairly consistent between assessment years.

The Cuyahoga County Treasurer's Office implemented a change in policy between 1996 and 1997 that reduced the amount of time taxpayers were given to pay taxes on their parcel of land before they were considered delinquent. Therefore, the increase in tax delinquency between 1996 and 2000 may be due to this change in policy.

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Table 6.2

Summary of Neighborhood Conditions After Implementation of Ohio Works First

Neighborhood Indicator	Trend for All Neighborhoods	Trend After OWF, by Neighborhood Classification
Births		
Teen births	Statistically significant decline	The decline was greater in high-welfare neighborhoods
Unmarried births	Decline in the rate of births to unmarried mother; change not significant	The trend was relatively flat in high-welfare neighborhoods; the decline was greater in balance of the county
Adequacy of prenatal care	Statistically significant increase	The gap remained the same between high-welfare neighborhoods and the balance of the county after 1996
Child well-being		
Child abuse and neglect	Slight increase in abuse and neglect rate; change not significant	The gap was smaller after 1996, but the rate was increasing in the balance of the county
Crime		
Violent crime	Statistically significant decline	The gap was smaller between high-welfare neighborhoods and the balance of the county on violent crime after 1996; sharper decline for high-welfare neighborhoods
Property crime	Decline in property crime; change not significant	The trend was unchanged over time
Domestic violence	Statistically significant increase	The gap increased after 1996, with high-welfare neighborhoods experiencing higher levels of domestic violence
Drug arrests	Statistically significant increase	The gap remained the same
Economic factors		
Median housing	Statistically significant increase	There was a steeper increase in median housing values in the balance of the county
Tax delinquency	Statistically significant increase	The percentage of tax-delinquent parcels increased in both types of neighborhoods, but the gap remained the same

tive for a number of social and economic indicators. The declines in teen births and violent crimes are statistically significant, as are the increases in the adequacy of prenatal care, drug arrests, and median housing values. Both domestic violence and tax delinquency registered statistically significant increases, but these upward trends did not coincide with welfare reform. Unmarried births, property crimes, and child abuse and neglect did not change significantly countywide.[28]

The information presented in the right-hand column of Table 6.2 provides some indication of how the post-OWF trends varied by neighborhood classification. For some indicators, both high-welfare neighborhoods and the balance of the county experienced relatively similar upward or downward trends. For example, although the county overall experienced a statistically significant increase in tax-delinquent properties, it appears that this increase was felt in both types of neighborhoods. On the other hand, the change in the teen birth rate was greater in high-welfare neighborhoods than in the county as a whole, decreasing the gap for this particular outcome.

Overall, the figures presented in this section illustrate the absolute disparity in social and economic conditions between high-welfare neighborhoods and the balance of the county. Over the entire study period, high-welfare neighborhoods were significantly worse off than the remaining tracts in Cuyahoga County on all the indicators examined here. While there is evidence that even poor neighborhoods registered incremental progress on some indicators, the conditions in these places remained distressing.

Trends Relative to Ohio Works First

Another way to look at these social and economic indicators is to focus on the trends relative to the period marking a policy change. Figure 6.15 presents all the foregoing indicators for the pre-OWF high-welfare neighborhoods and shows their change from the base year of 1996, the year that OWF was passed into law. In other words, each year in the time series is expressed as a percentage change in the rate from the base year. Since 1996, none of the indicators shows a rate and a pattern of change that are consistent with a negative change. For most indicators, there is either little change or change in the positive direction over the study period.

Specifically, Figure 6.15 shows that the largest changes in terms of percentages were the decline in teen birth rates and the rise in tax-delinquent properties. The trends in childbearing by teens and domestic violence do not show changes that coincided with welfare reform. However, tax delinquencies do appear to have risen after 1996 and then to have leveled off, but this might be attributable to changing local policies or practices, which requires further investigation. Two other indicators — drug arrests and domestic violence reports — did increase in the

---

[28] Mixed-design Analysis of Variance (ANOVA) models were used to determine whether the average changes in conditions before and after OWF are statistically significant.

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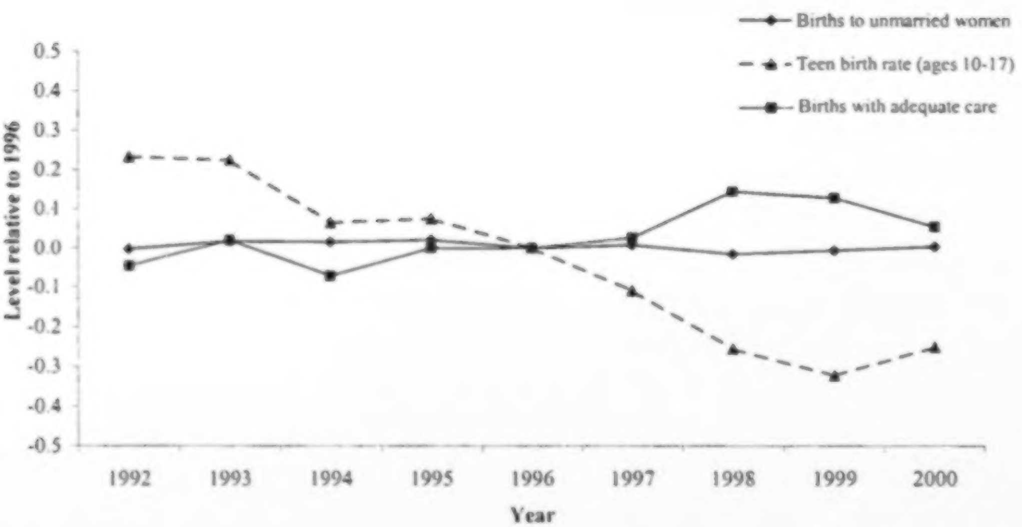
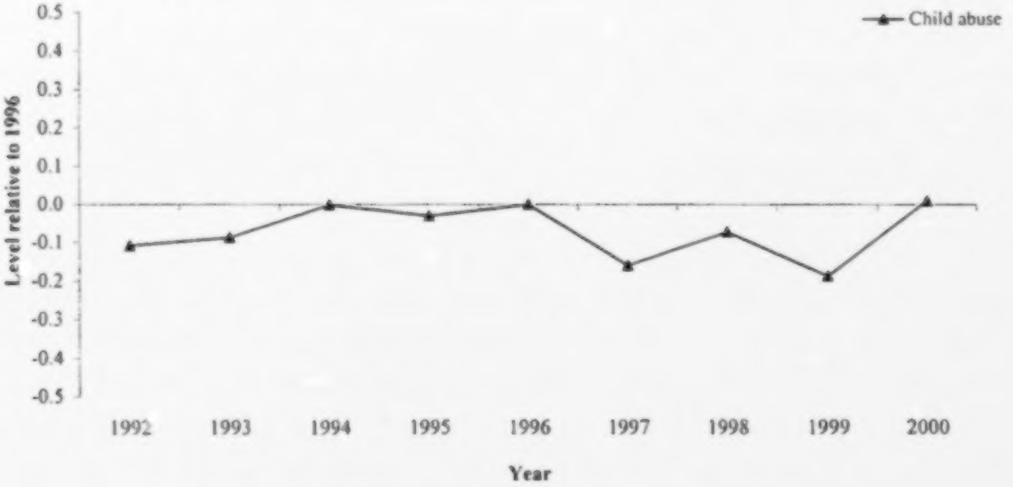
Figure 6.15

Percentage Change in Selected Trends, 1992-2000, by Pre-OWF (1992-1995) High-Welfare Neighborhoods

Birth trends



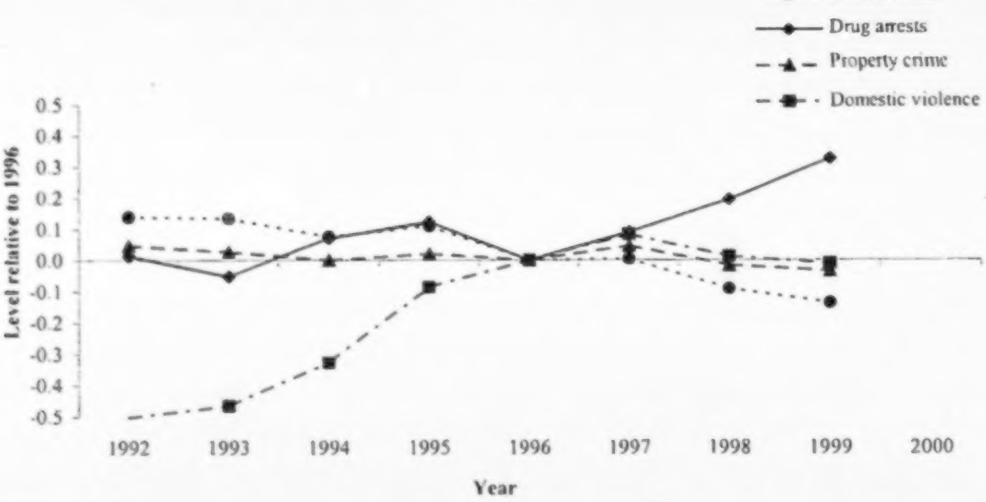
Child maltreatment



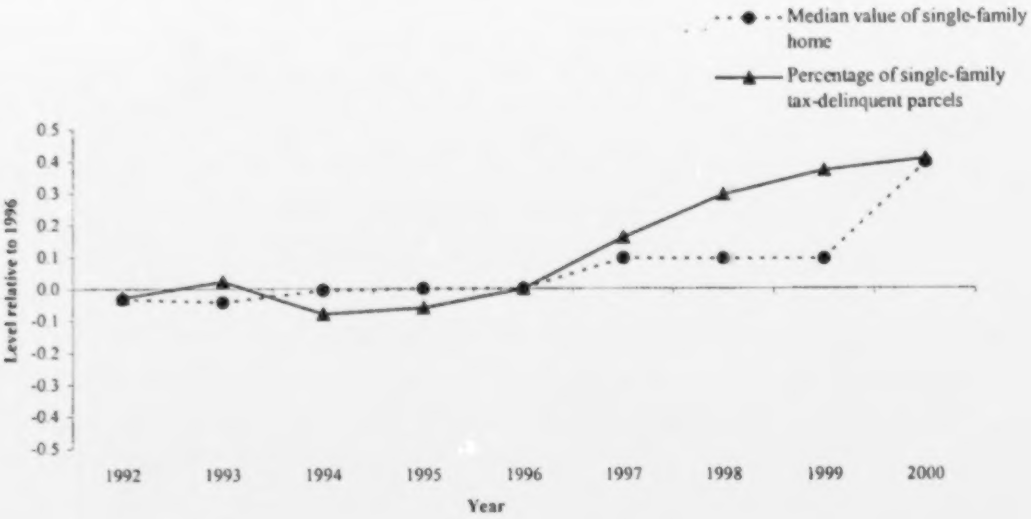
(continued)

Figure 6.15 (continued)

Crime and violence



Economic conditions



SOURCE: MDRC calculations using data from the Urban Change Neighborhood Indicators Database.

NOTES: There are 117 neighborhoods that are defined as high welfare pre-OWF (1992-1995). High-welfare neighborhoods are those with welfare receipt rates of at least 20 percent.

Complete year 2000 crime and violence data were not available at the time of this analysis.

city as a whole, but the increase predated welfare reform and may relate to changes in local law enforcement practices.

In sum, the analysis of change relative to 1996 provides little evidence that the implementation of welfare reform made conditions in high-welfare neighborhoods markedly worse or better. Most indicators either held fairly steady throughout the period or showed a desirable downward trend.

Neighborhood Disparity and Welfare

Each of the trends in social and economic indicators is informative in its own right, because it reveals something about the status of children and families in neighborhoods where many welfare recipients lived. An additional concern, though, is the degree to which these indicators are related to one another and to the size of the welfare caseload. In every year of the study, there were significant cross-sectional correlations between each pair of indicators and between the indicators and the size of the cash assistance population. In other words, at a contemporaneous time, the indicators were highly correlated with each other and were consistently more negative in census tracts where the welfare caseload was higher.[29] The cross-sectional correlations between the cash welfare caseload and the indicators fall somewhat, though, toward the end of the study — which may be consistent with the fact that most individuals who left welfare remained poor or near poor. Inasmuch as the cash welfare caseload represents a smaller proportion of the total poor in recent years, this reduces the correlations between the caseload count and the indicators. It is also possible that the effects of declining caseloads on some of these indicators may lag, but observing that would require a longer-term time series.

Finally, it is possible that the worst outcomes captured by the indicators tend to cluster together in a few, high-risk places.[30] One way of looking at this is to focus on places where most of the indicators are extremely negative. An index of disparity was created by identifying census tracts that exceeded twice the median for the county on six of the nine indicators.[31] One study argues that using twice the region's median is a reasonable method to identify tracts with conditions that are clearly worse off than others.[32] Relating disparity to the median of the county rather than to a national norm captures inequality within the metropolitan area.[33]

---

[29] Specifically, the correlations were strong and positive between indicators of welfare concentration, birth outcomes, child maltreatment, and crime and violence. Strong negative correlations were observed between welfare and the economic indicator measuring median housing values. Further, factor analysis revealed one predominant factor in every year, suggesting the high level of intercorrelation among these measures.

[30] Studies in the social-ecological tradition find that particular areas have high rates of social problems and that these are often long-standing (Shaw and McKay, 1969; Sampson, 1998; Coulton and Pandey, 1992). It appears that the degree to which the problems are clustered actually increased in recent years (Wilson, 1987; Chow and Coulton, 1998). Recent explanations for these trends include the decline in inner-city employment opportunities and flight of the middle class (Wilson, 1996), the lack of neighborhood collective efficacy and social connections (Sampson, Raudenbusch and Earls, 1997), and private and government disinvestments (Wallace and Wallace, 1990; Skogen, 1990).

The number of tracts that exceeded this threshold before and after OWF was implemented is reported in Figure 6.16. Before OWF, 68 percent of welfare recipients were living in highly disparate tracts, compared with 63 percent after OWF. Thus, although the number of disparate tracts fell slightly over the study period, the percentage of the remaining caseload who were living in disparate tracts stayed about the same. This is further evidence that, despite caseload declines in Cuyahoga County, those who remain on cash assistance live under particularly troubled circumstances and may be experiencing some of the worst social and economic outcomes.

The specific geography of neighborhood disparity before and after OWF is shown in Figure 6.17. Most neighborhoods that exceeded the disparity threshold at baseline in 1995 remained disparate at the end of the study. This is consistent with the finding that neighborhood conditions changed slightly during the study period. Threshold-level changes occurred in 24 census tracts. After OWF, disparity declined in 19 tracts but continued to affect conditions in 5 tracts: Central, Cudell, East Cleveland, Garfield Heights, and South Collinwood.

Welfare-to-Work Transitions and Neighborhoods

As discussed in Chapter 2, welfare reform in Cuyahoga County adopted a work-first approach and emphasized moving individuals into employment before they reached the 36-month time limit. From a neighborhood perspective, the movement of a large proportion of the population from welfare to work might be expected to result in various benefits. Earned income would replace or possibly exceed welfare income, which would increase the purchasing power affecting housing and other goods. An increasingly employed population might signal other positive changes in daily routines and social processes discussed earlier. However, the spatial distribution of economic opportunities and social relationships within neighborhoods, cities, and regions could promote or impede the employment and self-sufficiency goals of welfare reform. In many respects, though — because of where current and former welfare recipients reside — place is considered to be a significant barrier to successful welfare-to-work transitions. These possibilities beg the question of whether employment outcomes for current and former cash assistance recipients differ by neighborhood.

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[31] Twice the median was chosen because it is a large difference, but it is clearly possible, and desirable, that no tract exceed this cutoff.

[32] Pendall, 2000.

[33] Others (Kasarda, 1993; Ricketts and Sawhill, 1988) have used standard deviations derived from national data to identify distressed or underclass areas.

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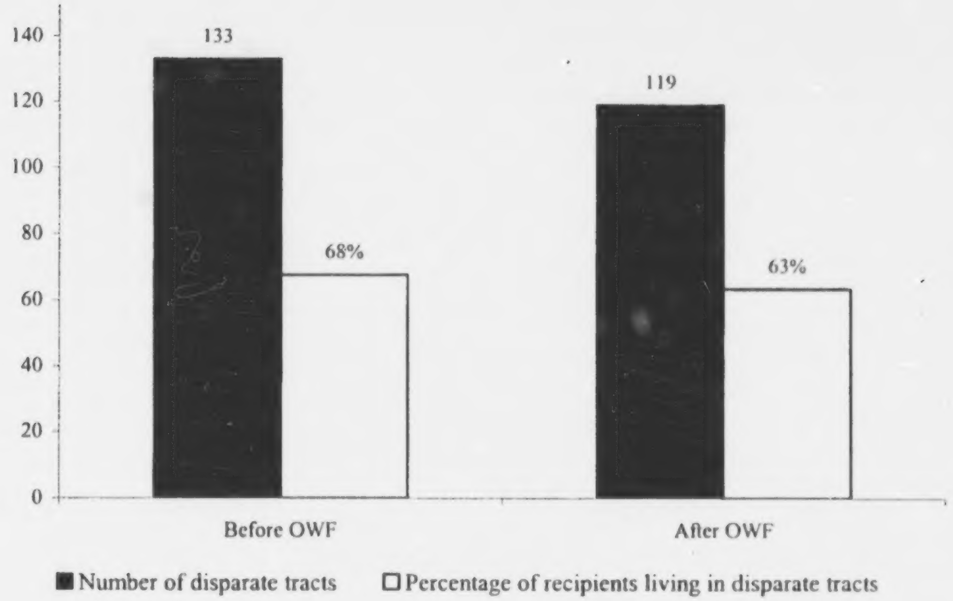
Figure 6.16

Neighborhood Disparity and Welfare Concentration in Cuyahoga County Before and After OWF



SOURCE: MDRC calculations using data from the Urban Change Neighborhood Indicators Database.

NOTE: Tracts with rates greater than twice the county median on the first four indicators and with median housing values less than half the county median are considered disparate on all five indicators. Tracts with welfare receipt rates above 20 percent are considered high welfare.

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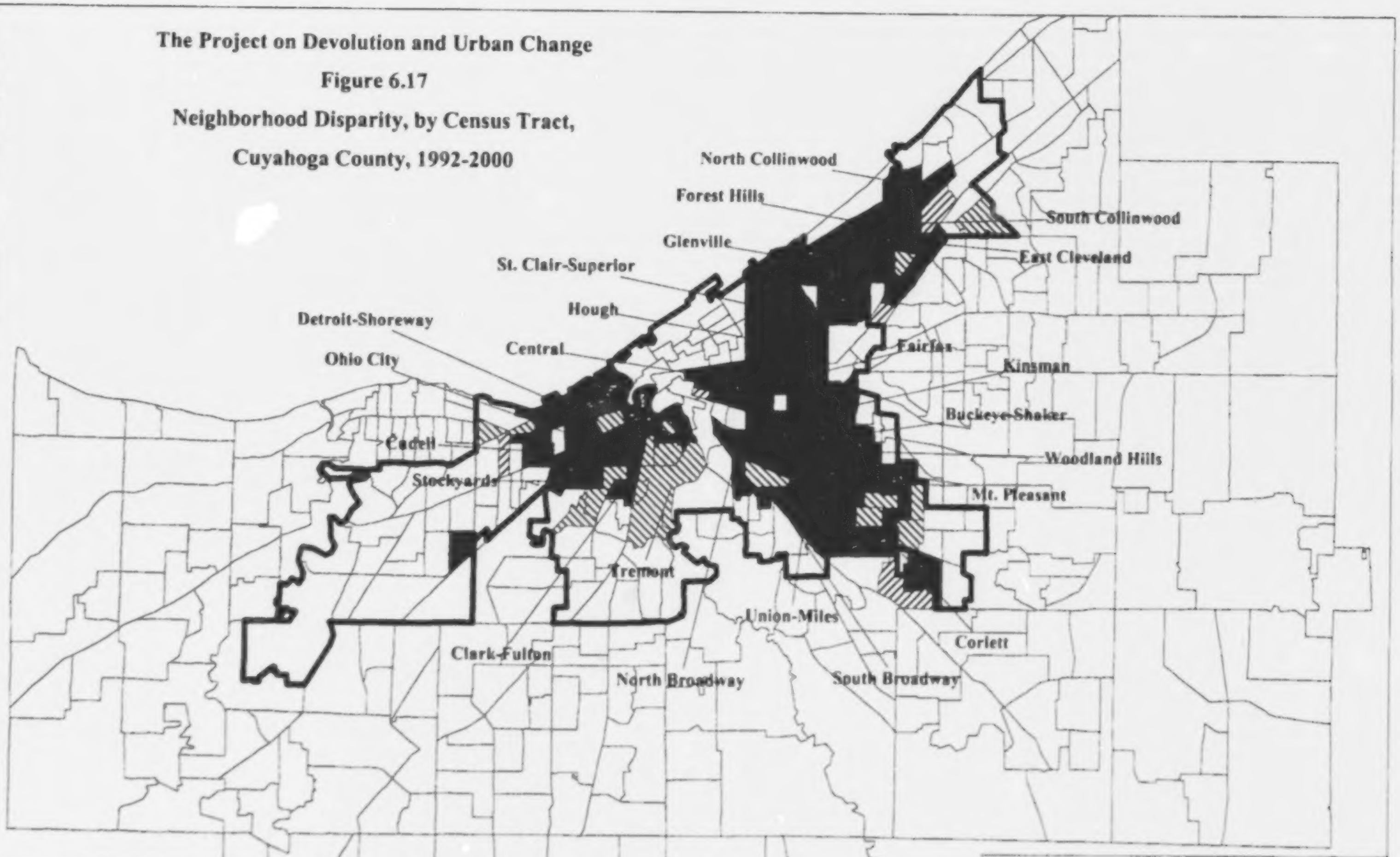
Figure 6.17

Neighborhood Disparity, by Census Tract, Cuyahoga County, 1992-2000


North Collinwood
Forest Hills
South Collinwood
Glenville
East Cleveland
St. Clair-Superior
Hough
Detroit-Shoreway
Central
Ohio City
Fairfax
Kinsman
Buckeye-Shaker
Cudell
Woodland Hills
Stockyards
Mt. Pleasant
Tremont
Union-Miles
Corlett
Clark-Fulton
North Broadway
South Broadway
■ Consistently high 1992-2000 (114 tracts)
▨ Low 1992-1995, high 1996-2000 (5 tracts)
▧ High 1992-1995, low 1996-2000 (19 tracts)
☐ Consistently low 1992-2000 (331 tracts)
— Census tract boundaries
━ City of Cleveland municipal boundary

SOURCE: MDRC calculations using data from the Urban Change Neighborhood Indicators Database.

NOTES: High-welfare-concentration tracts are those where at least 20 percent of the residents receive welfare. Selected neighborhoods are identified, but all residential tracts in the county were included in the neighborhood analysis.

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While there's considerable evidence showing rising employment rates among current and former recipients since the implementation of welfare reform, there is little evidence about the relationship between place of residence and employment outcomes for the welfare population. To the extent that place of residence affects employment prospects, big differences might be expected in the employment outcomes for high-welfare and all other neighborhoods.[34] Job growth has occurred at a faster pace in suburban than in central-city areas, suggesting a possible employment advantage for those living outside the central city.

To assess whether welfare reform was successful in raising employment levels for recipients living in poor communities in Cuyahoga County, several neighborhood-level, labor market outcomes were created: employment rates for welfare recipients, welfare-to-work rates, welfare exit rates, and employment rates for leavers.[35] The employment rate indicates the share of the caseload who were employed or were combining work and welfare. Unlike the work participation rate presented in Chapter 2, the employment rate reflects actual employment according to UI wage records, but it does not include education and training, job search, or other work participation activities defined by OWF. The welfare-to-work rate indicates the percentage of the cash assistance caseload who left welfare in the quarter and had UI-reported employment in the exit quarter or in the quarter after exit.[36] The analysis is descriptive, and it does not presuppose any direction of causality. In fact, the process is assumed to be dynamic, in that (1) neighborhoods become better off as their residents gain employment and (2) residents' employment possibilities may be further enhanced as overall employment rates rise and neighborhood conditions improve.

Figure 6.18 compares the annual employment rates over the study period for the pre-OWF high-welfare neighborhoods and all other neighborhoods in the county. Over the nine-year period, employment increased slowly but steadily for all types of neighborhoods, though the employment rates were slightly higher for the balance of the county. Between 1992 and 2000, the recipients in high-welfare neighborhoods who were combining work and welfare increased from 29 percent to 38 percent. Between 1996 and 2000, high-welfare neighborhoods experienced a 10 percent jump in employment, compared with a 20 percent gain for the balance of the county. The findings presented in the figure do not provide clear support for the hypothesis that place of residence confers a particular employment advantage or disadvantage, at least while on welfare; recipients living in the most distressed neighborhoods and those living in

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[34] The spatial mismatch literature, for example, suggests that residential segregation, combined with limited job access and transportation barriers, restricts the employment opportunities for racial minorities and welfare recipients.

[35] It is not possible to disentangle the effects of the improved economy from specific welfare programs that were implemented during this period.

[36] Two quarters are used because the earnings of individuals who leave welfare at the end of a quarter may not show up in UI wage records until the following quarter.

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Figure 6.18

Annual Employment Rate for Recipients, by Pre-OWF (1992-1995) Welfare Concentration

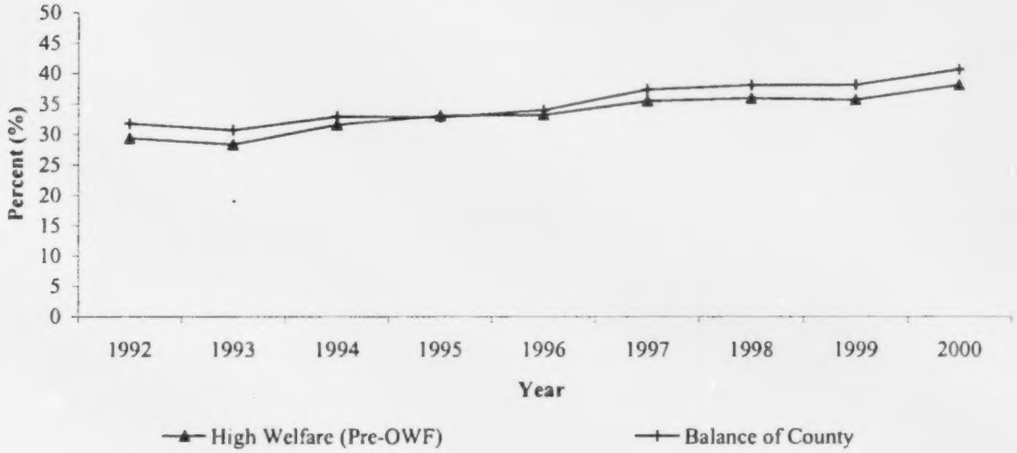
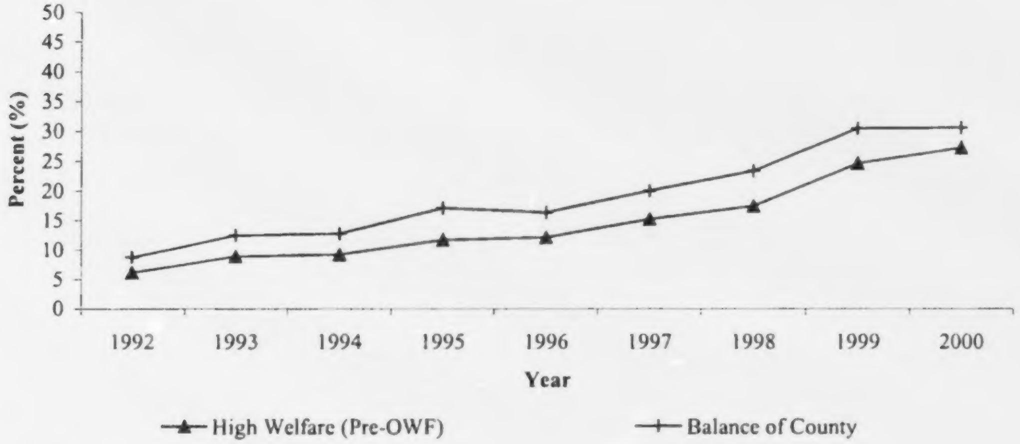


Figure 6.19

Annual Welfare Exit Rate, by Pre-OWF (1992-1995) Welfare Concentration



SOURCE: MDRC calculations using data from the Urban Change Neighborhood Indicators Database.

NOTE: There are 117 neighborhoods that are defined as high welfare pre-OWF (1992-1995). High-welfare neighborhoods are those with welfare receipt rates of at least 20 percent.

nondistressed areas were equally likely to combine work and welfare both before and after welfare reform.

Neighborhoods that had high concentrations of welfare recipients before reform were slightly slower to take off in terms of exit rates than were low-welfare neighborhoods (Figure 6.19). This is consistent with the thinking that neighborhood disadvantage is related to welfare retention and that families living in high-welfare neighborhoods may be exposed to barriers that slow down their welfare exit. However, as shown in the figure, high-welfare neighborhoods did have increasing exit rates, especially after reform was implemented.

There are several reasons why adult recipients go off welfare, and the neighborhood-level study is able to examine the extent to which employment plays a role in welfare exits. Figure 6.20 shows the welfare-to-work transitions rates for the portion of the caseload who were employed in the exit quarter or in the quarter after exit. Again, welfare-to-work rates rose over the nine-year period in all neighborhoods, but the trend was somewhat weaker in the highly distressed areas. Post-exit employment rates for welfare leavers are presented in Figure 6.21. Interestingly, employment rates decayed slightly from the quarter of exit to two quarters after exit for leavers in high-welfare neighborhoods, but they held steady over that period for leavers in the balance of the county (not shown).

In sum, employment rates while on welfare were fairly low across all types of neighborhoods; so living in a neighborhood of high-welfare concentration does not appear to undermine work efforts while on welfare. Rates of leaving welfare for work were slightly higher in neighborhoods with low welfare concentration, as were earnings (not shown), which suggests that the welfare recipients in low-welfare neighborhoods were better off economically. Although the employment rates were lower in high-welfare neighborhoods, gradual improvements were noted there as well.

Efforts to identify neighborhood effects on employment are complicated by a host of methodological and conceptual issues. Albeit descriptive, this study was not able to find hugely divergent employment trends by type of place. This finding is consistent with another local study that was unable to demonstrate that neighborhood location had an important effect on labor market outcomes for welfare leavers.[37] One possible explanation for the lack of bigger differences between the high-welfare neighborhoods and the balance of the county is that the proportion of welfare recipients living outside those neighborhoods is relatively small (about 30 percent) and that high-welfare neighborhoods — regardless of whether they are located in the city or the suburbs — tend to be represented at the lower end of the continuums depicting neighborhood quality and employment access.

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[37] Coulton, Bania, Leete, and Cook, 2001.

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Figure 6.20

Annual Welfare-to-Work Rate, by Pre-OWF (1992-1995) Welfare Concentration

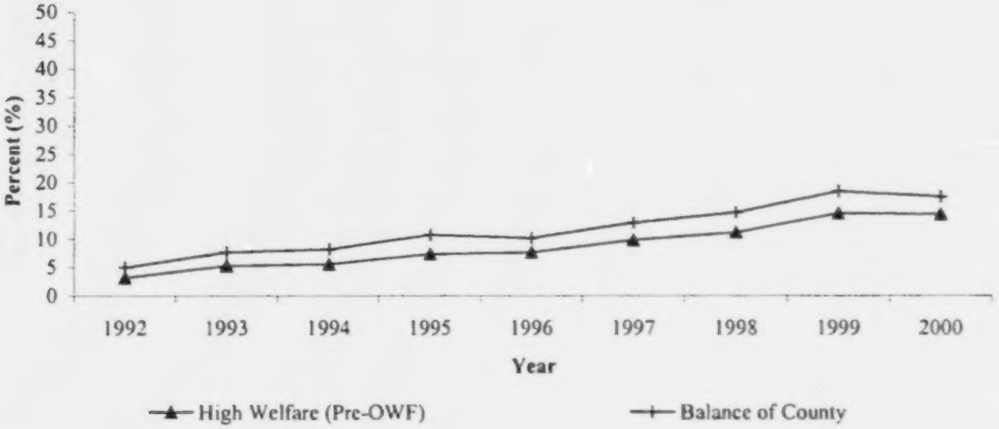
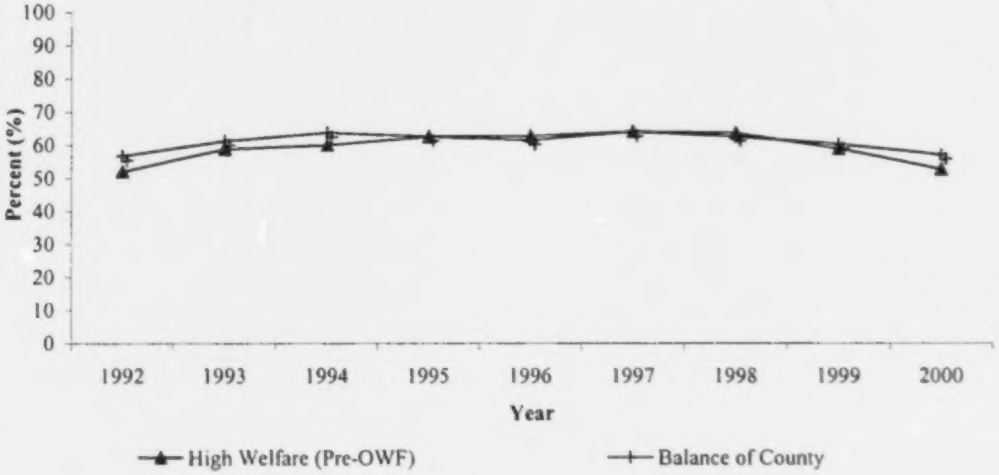


Figure 6.21

Percentage of Welfare Leavers Employed Within Two Quarters of Exit, by Pre-OWF (1992-1995) Welfare Concentration



SOURCE: MDRC calculations using data from the Urban Change Neighborhood Indicators Database.

NOTE: There are 117 neighborhoods that are defined as high welfare pre-OWF (1992-1995). High-welfare neighborhoods are those with welfare receipt rates of at least 20 percent.

Summary and Conclusions

The unchanged or gradually improving social and economic trends in the high-welfare neighborhoods of Cuyahoga County suggest that the most dismal predictions about the negative effects of welfare reform on low-income families and neighborhoods did not materialize. No sudden or devastating impact was detected. The trends also do not support the early claims that welfare reform would change patterns of behavior with respect to family formation or childbearing. The trends are mainly consistent with the overall economic improvement during the study period, with secular trends that have occurred nationwide, and with some specific changes in local law enforcement practices.

The benign interpretation of trends, though, should not be cause for complacency where neighborhoods are concerned. Important disparities remain in Cuyahoga County's neighborhoods, and they have implications for welfare programs and the metropolitan area. First, it should be noted that the residential locations of the county's welfare recipients before welfare reform were among the most highly concentrated in the nation. While declining cash assistance caseloads have practically eliminated extreme welfare neighborhoods at this point, the welfare population remains highly segregated from the rest of the population. Segregation limits the opportunities of current and former welfare recipients to fully participate in the regional economy and the community at large.

Second, these families who remain on cash welfare are overrepresented in the neighborhoods that exhibit the highest level of disparity with the rest of the county. The caseload in this respect may be becoming harder to serve, partly because of neighborhood environments. The neighborhood circumstances of these families may complicate their efforts to participate in employment programs, find work, and eventually remain off welfare.

Third, even though caseloads in all neighborhoods have fallen and recipients' employment rates have been improving over the time period studied, the trends in other social indicators have not improved as rapidly. Unmarried mothers, low housing values, and child abuse and neglect are unchanged. Drug and domestic violence reports are on the rise. That falling caseloads and rising employment among welfare recipients have not led to improvements in other indicators may indicate that most families simply transitioned from being welfare poor to working poor. All the indicators tracked in this study have a well-established correlation with poverty, and poverty appears to have fallen only marginally in Cleveland's neighborhoods. Inasmuch as the period studied was a time of unprecedented economic growth and expansion of employment-related services under OWF, it perhaps represents the best-case scenario with respect to the well-being of the city's neighborhoods and their residents. The recent rises in unemployment, the effects of time limits, and cuts in OWF funds to the county suggest that another look at these indicators is warranted in the future.

Appendix

Supplemental Tables to Chapter 3

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Table A.1

Descriptive Statistics of New Monthly Cash Assistance Entrant Groups

	1993 Q4	1994 Q4	1995 Q4	1996 Q4	1997 Q4	1998 Q4	1999 Q4	2000 Q4
Proportion female	0.65	0.66	0.66	0.61	0.62	0.68	0.72	0.72
	(0.48)	(0.47)	(0.48)	(0.49)	(0.49)	(0.47)	(0.45)	(0.45)
Proportion black	0.39	0.40	0.38	0.38	0.40	0.41	0.44	0.42
	(0.49)	(0.49)	(0.49)	(0.49)	(0.49)	(0.49)	(0.50)	(0.49)
Proportion white	0.36	0.36	0.38	0.36	0.37	0.39	0.36	0.45
	(0.48)	(0.48)	(0.49)	(0.48)	(0.48)	(0.49)	(0.48)	(0.50)
Proportion other race/ethnicity	0.25	0.23	0.24	0.26	0.24	0.21	0.20	0.13
	(0.43)	(0.42)	(0.42)	(0.44)	(0.43)	(0.41)	(0.40)	(0.34)
Age at first AFDC/TANF spell	30.85	30.89	31.03	30.82	30.61	30.30	29.81	30.27
	(10.17)	(10.60)	(10.42)	(10.64)	(10.65)	(10.25)	(9.87)	(10.94)
Have a second spell of welfare receipt	0.37	0.35	0.33	0.31	0.26	0.24	0.15	---
	(0.48)	(0.48)	(0.47)	(0.46)	(0.44)	(0.43)	(0.36)	
Earnings in 4 quarters before first AFDC/TANF spell	1,025.80	1,003.61	1,062.02	999.57	913.69	1,061.30	1,050.28	1,149.59
	1,559.73	1,615.56	1,764.72	1,700.49	1,553.64	1,950.53	1,779.18	1,870.36
Number of quarters employed during 4 quarters before first AFDC/TANF spell	1.73	1.68	1.69	1.66	1.54	1.52	1.61	1.64
	(1.68)	(1.71)	(1.71)	(1.69)	(1.66)	(1.68)	(1.69)	(1.71)
Sample size	2,635	2,097	1,576	1,491	1,111	831	712	648

SOURCES: MDRC calculations using Cuyahoga County's Income Maintenance Files and Ohio State unemployment insurance records.

NOTES: Monthly entrants are used in the analysis of leaving and entering welfare. The table shows the average earnings and employment for all new quarterly entrants to AFDC/TANF who were age 18 or older. Quarterly entrants are used in the employment and earnings analysis because earnings data are reported quarterly.

Standard deviations are listed in parentheses.

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Table A.2

Sample Sizes for New Entrant Groups, by Year of First Cash Assistance Receipt

Year	Groups Starting AFDC/TANF (1)	Long-Term Recipient Groups Starting AFDC/TANF (2)	Recidivist Groups Starting AFDC/TANF (with at least 3 months of non-receipt of benefits) (3)	Groups Starting Food Stamps (4)
1993	11,475	---	4,385	14,522
1994	8,535	---	4,145	10,220
1995	6,684	4,193	4,098	7,647
1996	5,820	2,608	4,716	6,128
1997	4,410	1,850	3,862	4,488
1998	3,651	1,286	3,597	4,026
1999	2,725	705	3,408	3,538
2000	2,490	496	3,148	3,703
Total	45,790	11,138	31,359	54,272

SOURCE: MDRC calculations using Cuyahoga County's Income Maintenance Files.

NOTES: Sample is limited to adults.

Long-term recipients are individuals who start welfare for the first time and then go on to receive benefits 18 months out of a 24-month period. As a result of the 24-month base period, the first group of long-term recipients entered in 1995.

Food stamp sample sizes exclude single recipients, who were subject to different eligibility rules since 1996.

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Table A.3

Estimates of the Proportion Leaving AFDC/TANF, as Reported in Recent Studies Using Monthly Data

		Proportion Leaving AFDC/TANF in:		
Variable	Data Set	6 Months or Less	12 Months or Less	24 Months or Less
This study	Cuyahoga County IMF, 1992-2000			
All recipients[a]		0.37	0.56	0.75
Adults		0.45	0.66	0.84
This study, before OWF	Cuyahoga County IMF, 1992-2000			
All recipients		0.35	0.54	0.73
Adults		0.43	0.64	0.82
This study, after OWF	Cuyahoga County IMF, 1992-2000			
All recipients		0.47	0.68	0.87
Adults		0.55	0.78	0.93
This study, long-term recipients[b]	Cuyahoga County IMF, 1992-2000			
All recipients		0.32	0.47	---
Adults		0.40	0.57	---
Hoynes, 2000	California LDB, 1987-1992	0.28	0.48	0.62
Blank and Ruggles, 1996	SIPP 1986, 1987	---	0.55	0.75
Fitzgerald, 1995[c]	SIPP 1984, 1985	0.35	0.52	0.70
Gritz and MaCurdy, 1992	NLSY 1979-1987	0.36	0.55	0.68
Pavetti, 1993	NLSY 1979-1989	---	0.56	0.70
Harris, 1993	PSID 1984-1989	0.24	0.44	0.64

SOURCES: MDRC calculations using Cuyahoga County's Income Maintenance Files; Hoynes, 2000; Blank and Ruggles, 1996; Fitzgerald, 1995; Gritz and MaCurdy, 1992; Pavetti, 1993; and Harris, 1993.

NOTES: "Before OWF" refers to the period before the implementation of Cuyahoga County's TANF program in October 1997. "After OWF" refers to dates after October 1997.

LDB = Longitudinal Database of Cases.
SIPP = Survey of Income and Program Participation.
NLSY = National Longitudinal Survey of Youth.
PSID = Panel Study of Income Dynamics.

[a] "All recipients" includes adults and children. Accordingly, children on child-only cases, which were not subject to the restrictions imposed by OWF, are included in the calculation.

[b] Long-term recipients are defined as receiving cash assistance 18 out of 24 months. The proportion of long-term recipients leaving AFDC within three months after the base period is 0.217.

[c] The calculations from Fitzgerald (1995) measure the proportion for whom a spell lasted less than the specified time period, whereas the remaining studies measure the proportion for whom a spell lasted less than or equal to the given time period.

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Recent Publications on MDRC Projects

Note: For works not published by MDRC, the publisher's name is shown in parentheses. With a few exceptions, this list includes reports published by MDRC since 1999. A complete publications list is available from MDRC and on its Web site (www.mdrc.org), from which copies of MDRC's publications can also be downloaded.

Reforming Welfare and Making Work Pay

Next Generation Project

A collaboration among researchers at MDRC and several other leading research institutions focused on studying the effects of welfare, antipoverty, and employment policies on children and families.

How Welfare and Work Policies Affect Children: A Synthesis of Research. 2001. Pamela Morris, Aletha Huston, Greg Duncan, Danielle Crosby, Johannes Bos.

How Welfare and Work Policies Affect Employment and Income: A Synthesis of Research. 2001. Dan Bloom, Charles Michalopoulos.

How Welfare and Work Policies for Parents Affect Adolescents: A Synthesis of Research. 2002. Lisa A. Gennetian, Greg J. Duncan, Virginia W. Knox, Wanda G. Vargas, Elizabeth Clark-Kauffman, Andrew S. London.

ReWORKing Welfare: Technical Assistance for States and Localities

A multifaceted effort to assist states and localities in designing and implementing their welfare reform programs. The project includes a series of "how-to" guides, conferences, briefings, and customized, in-depth technical assistance.

After AFDC: Welfare-to-Work Choices and Challenges for States. 1997. Dan Bloom.

Work First: How to Implement an Employment-Focused Approach to Welfare Reform. 1997. Amy Brown.

Business Partnerships: How to Involve Employers in Welfare Reform. 1998. Amy Brown, Maria Buck, Erik Skinner.

Promoting Participation: How to Increase Involvement in Welfare-to-Work Activities. 1999. Gayle Hamilton, Susan Scrivener.

Encouraging Work, Reducing Poverty: The Impact of Work Incentive Programs. 2000. Gordon Berlin.

Steady Work and Better Jobs: How to Help Low-Income Parents Sustain Employment and Advance in the Workforce. 2000. Julie Strawn, Karin Martinson.

Beyond Work First: How to Help Hard-to-Employ Individuals Get Jobs and Succeed in the Workforce. 2001. Amy Brown.

Project on Devolution and Urban Change

A multiyear study in four major urban counties — Cuyahoga County, Ohio (which includes the city of Cleveland), Los Angeles, Miami-Dade, and Philadelphia — that examines how welfare reforms are being implemented and affect poor people, their neighborhoods, and the institutions that serve them.

Big Cities and Welfare Reform: Early Implementation and Ethnographic Findings from the Project on Devolution and Urban Change. 1999. Janet Quint, Kathryn Edin, Maria Buck, Barbara Fink, Yolanda Padilla, Olis Simmons-Hewitt, Mary Valmont.

Food Security and Hunger in Poor, Mother-Headed Families in Four U.S. Cities. 2000. Denise Polit, Andrew London, John Martinez.

Assessing the Impact of Welfare Reform on Urban Communities: The Urban Change Project and Methodological Considerations. 2000. Charles Michalopoulos, Johannes Bos, Robert Lalonde, Nandita Verma.

Post-TANF Food Stamp and Medicaid Benefits: Factors That Aid or Impede Their Receipt. 2001. Janet Quint, Rebecca Widom.

Social Service Organizations and Welfare Reform. 2001. Barbara Fink, Rebecca Widom.

Monitoring Outcomes for Cuyahoga County's Welfare Leavers: How Are They Faring? 2001. Nandita Verma, Claudia Coulton.

The Health of Poor Urban Women: Findings from the Project on Devolution and Urban Change. 2001. Denise Polit, Andrew London, John Martinez.

Is Work Enough? The Experiences of Current and Former Welfare Mothers Who Work. 2001. Denise Polit, Rebecca Widom, Kathryn Edin, Stan Bowie, Andrew London, Ellen Scott, Abel Valenzuela.

Readying Welfare Recipients for Work: Lessons from Four Big Cities as They Implement Welfare Reform. 2002. Thomas Brock, Laura Nelson, Megan Reiter.

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Wisconsin Works

This study examines how Wisconsin's welfare-to-work program, one of the first to end welfare as an entitlement, is administered in Milwaukee.

Complaint Resolution in the Context of Welfare Reform: How W-2 Settles Disputes. 2001. Suzanne Lynn.

Exceptions to the Rule: The Implementation of 24-Month Time-Limit Extensions in W-2. 2001. Susan Gooden, Fred Doolittle.

Matching Applicants with Services: Initial Assessments in the Milwaukee County W-2 Program. 2001. Susan Gooden, Fred Doolittle, Ben Glispie.

Time Limits

Florida's Family Transition Program

An evaluation of Florida's initial time-limited welfare program, which includes services, requirements, and financial work incentives intended to reduce long-term welfare receipt and help welfare recipients find and keep jobs.

The Family Transition Program: Implementation and Three-Year Impacts of Florida's Initial Time-Limited Welfare Program. 1999. Dan Bloom, Mary Farrell, James Kemple, Nandita Verma.

The Family Transition Program: Final Report on Florida's Initial Time-Limited Welfare Program. 2000. Dan Bloom, James Kemple, Pamela Morris, Susan Scrivener, Nandita Verma, Richard Hendra.

Cross-State Study of Time-Limited Welfare

An examination of the implementation of some of the first state-initiated time-limited welfare programs.

Welfare Time Limits: An Interim Report Card. 1999. Dan Bloom.

Connecticut's Jobs First Program

An evaluation of Connecticut's statewide time-limited welfare program, which includes financial work incentives and requirements to participate in employment-related services aimed at rapid job placement. This study provides some of the earliest information on the effects of time limits in major urban areas.

Connecticut Post-Time Limit Tracking Study: Six-Month Survey Results. 1999. Jo Anna Hunter-Manns, Dan Bloom.

Jobs First: Implementation and Early Impacts of Connecticut's Welfare Reform Initiative. 2000. Dan Bloom, Laura Melton, Charles Michalopoulos, Susan Scrivener, Johanna Walter.

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Final Report on Connecticut's Welfare Reform Initiative. 2002. Dan Bloom, Susan Scrivener, Charles Michalopoulos, Pamela Morris, Richard Hendra, Diana Adams-Ciardullo, Johanna Walter.

Vermont's Welfare Restructuring Project

An evaluation of Vermont's statewide welfare reform program, which includes a work requirement after a certain period of welfare receipt, and financial work incentives.

Forty-Two Month Impacts of Vermont's Welfare Restructuring Project. 1999. Richard Hendra, Charles Michalopoulos.

WRP: Key Findings from the Forty-Two-Month Client Survey. 2000. Dan Bloom, Richard Hendra, Charles Michalopoulos.

Financial Incentives

Encouraging Work, Reducing Poverty: The Impact of Work Incentive Programs. 2000. Gordon Berlin.

Minnesota Family Investment Program

An evaluation of Minnesota's pilot welfare reform initiative, which aims to encourage work, alleviate poverty, and reduce welfare dependence.

Reforming Welfare and Rewarding Work: Final Report on the Minnesota Family Investment Program. 2000:
  Volume 1: Effects on Adults. Cynthia Miller, Virginia Knox, Lisa Gennetian, Martey Dodoo, Jo Anna Hunter, Cindy Redcross.
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Reforming Welfare and Rewarding Work: A Summary of the Final Report on the Minnesota Family Investment Program. 2000. Virginia Knox, Cynthia Miller, Lisa Gennetian.

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New Hope Project

A test of a community-based, work-focused antipoverty program and welfare alternative operating in Milwaukee.

New Hope for People with Low Incomes: Two-Year Results of a Program to Reduce Poverty and Reform Welfare. 1999. Johannes Bos, Aletha Huston, Robert Granger, Greg Duncan, Thomas Brock, Vonnie McLoyd.

Canada's Self-Sufficiency Project

A test of the effectiveness of a temporary earnings supplement on the employment and welfare receipt of public assistance recipients. Reports on the Self-Sufficiency Project are available from: Social Research and Demonstration Corporation (SRDC), 275 Slater St., Suite 900, Ottawa, Ontario K1P 5H9, Canada. Tel.: 613-237-4311; Fax: 613-237-5045. In the United States, the reports are also available from MDRC.

Does SSP Plus Increase Employment? The Effect of Adding Services to the Self-Sufficiency Project's Financial Incentives (SRDC). 1999. Gail Quets, Philip Robins, Elsie Pan, Charles Michalopoulos, David Card.

When Financial Work Incentives Pay for Themselves: Early Findings from the Self-Sufficiency Project's Applicant Study (SRDC). 1999. Charles Michalopoulos, Philip Robins, David Card.

The Self-Sufficiency Project at 36 Months: Effects of a Financial Work Incentive on Employment and Income (SRDC). 2000. Charles Michalopoulos, David Card, Lisa Gennetian, Kristen Harknett, Philip K. Robins.

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SSP Plus at 36 Months: Effects of Adding Employment Services to Financial Work Incentives (SRDC). 2001. Ying Lei, Charles Michalopoulos.

Mandatory Welfare Employment Programs

National Evaluation of Welfare-to-Work Strategies

Conceived and sponsored by the U.S. Department of Health and Human Services (HHS), with support from the U.S. Department of Education (ED), this is the largest-scale evaluation ever conducted of different strategies for moving people from welfare to employment.

Do Mandatory Welfare-to-Work Programs Affect the Well-Being of Children? A Synthesis of Child Research Conducted as Part of the National Evaluation of Welfare-to-Work Strategies (HHS/ED). 2000. Gayle Hamilton.

Evaluating Alternative Welfare-to-Work Approaches: Two-Year Impacts for Eleven Programs (HHS/ED). 2000. Stephen Freedman, Daniel Friedlander, Gayle Hamilton, JoAnn Rock, Marisa Mitchell, Jodi Nudelman, Amanda Schweder, Laura Storto.

Impacts on Young Children and Their Families Two Years After Enrollment: Findings from the Child Outcomes Study (HHS/ED). 2000. Sharon McGroder, Martha Zaslow, Kristin Moore, Suzanne LeMenestrel.

What Works Best for Whom: Impacts of 20 Welfare-to-Work Programs by Subgroup (HHS/ED). 2000. Charles Michalopoulos, Christine Schwartz.

Evaluating Two Approaches to Case Management: Implementation, Participation Patterns, Costs, and Three-Year Impacts of the Columbus Welfare-to-Work Program (HHS/ED). 2001. Susan Scrivener, Johanna Walter.

How Effective Are Different Welfare-to-Work Approaches? Five-Year Adult and Child Impacts for Eleven Programs– Executive Summary (HHS/ED). 2001. Gayle Hamilton, Stephen Freedman, Lisa Gennetian, Charles Michalopoulos, Johanna Walter, Diana Adams-Ciardullo, Anna Gassman-Pines, Sharon McGroder, Martha Zaslow, Surjeet Ahluwalia, Jennifer Brooks.

Los Angeles's Jobs-First GAIN Program

An evaluation of Los Angeles's refocused GAIN (welfare-to-work) program, which emphasizes rapid employment. This is the first in-depth study of a full-scale "work first" program in one of the nation's largest urban areas.

The Los Angeles Jobs-First GAIN Evaluation: First-Year Findings on Participation Patterns and Impacts. 1999. Stephen Freedman, Marisa Mitchell, David Navarro.

The Los Angeles Jobs-First GAIN Evaluation: Final Report on a Work First Program in a Major Urban Center. 2000. Stephen Freedman, Jean Knab, Lisa Gennetian, David Navarro.

Teen Parents on Welfare

Teenage Parent Programs: A Synthesis of the Long-Term Effects of the New Chance Demonstration, Ohio's Learning, Earning, and Parenting (LEAP) Program, and the Teenage Parent Demonstration (TPD). 1998. Robert Granger, Rachel Cytron.

Ohio's LEAP Program

An evaluation of Ohio's Learning, Earning, and Parenting (LEAP) Program, which uses financial incentives to encourage teenage parents on welfare to stay in or return to school.

LEAP: Final Report on Ohio's Welfare Initiative to Improve School Attendance Among Teenage Parents. 1997. Johannes Bos, Veronica Fellerath.

New Chance Demonstration

A test of a comprehensive program of services that seeks to improve the economic status and general well-being of a group of highly disadvantaged young women and their children.

New Chance: Final Report on a Comprehensive Program for Young Mothers in Poverty and Their Children. 1997. Janet Quint, Johannes Bos, Denise Polit.

Parenting Behavior in a Sample of Young Mothers in Poverty: Results of the New Chance Observational Study. 1998. Martha Zaslow, Carolyn Eldred, editors.

Focusing on Fathers

Parents' Fair Share Demonstration

A demonstration for unemployed noncustodial parents (usually fathers) of children on welfare. PFS aims to improve the men's employment and earnings, reduce child poverty by increasing child support payments, and assist the fathers in playing a broader constructive role in their children's lives.

Fathers' Fair Share: Helping Poor Men Manage Child Support and Fatherhood (Russell Sage Foundation). 1999. Earl Johnson, Ann Levine, Fred Doolittle.

Parenting and Providing: The Impact of Parents' Fair Share on Paternal Involvement. 2000. Virginia Knox, Cindy Redcross.

Working and Earning: The Impact of Parents' Fair Share on Low-Income Fathers' Employment. 2000. John M. Martinez, Cynthia Miller.

The Responsible Fatherhood Curriculum. 2000. Eileen Hayes, with Kay Sherwood.

The Challenge of Helping Low-Income Fathers Support Their Children: Final Lessons from Parents' Fair Share. 2001. Cynthia Miller, Virginia Knox

Career Advancement and Wage Progression

Opening Doors to Earning Credentials

An exploration of strategies for increasing low-wage workers' access to and completion of community college programs.

Opening Doors: Expanding Educational Opportunities for Low-Income Workers. 2001. Susan Golonka, Lisa Matus-Grossman.

Welfare Reform and Community Colleges: A Policy and Research Context. 2002. Thomas Brock, Lisa Matus-Grossman, Gayle Hamilton.

Opening Doors: Students' Perspectives on Juggling Work, Family, and College. 2002. Lisa Matus-Grossman, Susan Gooden.

Education Reform

Accelerated Schools

This study examines the implementation and impacts on achievement of the Accelerated Schools model, a whole-school reform targeted at at-risk students.

Evaluating the Accelerated Schools Approach: A Look at Early Implementation and Impacts on Student Achievement in Eight Elementary Schools. 2001. Howard Bloom, Sandra Ham, Laura Melton, Julienne O'Brien.

Career Academies

The largest and most comprehensive evaluation of a school-to-work initiative, this study examines a promising approach to high school restructuring and the school-to-work transition.

Career Academies: Building Career Awareness and Work-Based Learning Activities Through Employer Partnerships. 1999. James Kemple, Susan Poglinco, Jason Snipes.

Career Academies: Impacts on Students' Engagement and Performance in High School. 2000. James Kemple, Jason Snipes.

Career Academies: Impacts on Students' Initial Transitions to Post-Secondary Education and Employment. 2001. James Kemple.

First Things First

This demonstration and research project looks at First Things First, a whole-school reform that combines a variety of best practices aimed at raising achievement and graduation rates in both urban and rural settings.

Scaling Up First Things First: Site Selection and the Planning Year. 2002. Janet Quint.

Project GRAD

This evaluation examines Project GRAD, an education initiative targeted at urban schools and combining a number of proven or promising reforms.

Building the Foundation for Improved Student Performance: The Pre-Curricular Phase of Project GRAD Newark. 2000. Sandra Ham, Fred Doolittle, Glee Ivory Holton.

LILAA Initiative

This study of the Literacy in Libraries Across America (LILAA) initiative explores the efforts of five adult literacy programs in public libraries to improve learner persistence.

So I Made Up My Mind: Introducing a Study of Adult Learner Persistence in Library Literacy Programs. 2000. John T. Comings, Sondra Cuban.

"I Did It for Myself": Studying Efforts to Increase Adult Learner Persistence in Library Literacy Programs. 2001. John Comings, Sondra Cuban, Johannes Bos, Catherine Taylor.

Toyota Families in Schools

A discussion of the factors that determine whether an impact analysis of a social program is feasible and warranted, using an evaluation of a new family literacy initiative as a case study.

An Evaluability Assessment of the Toyota Families in Schools Program. 2001. Janet Quint.

Project Transition

A demonstration program that tested a combination of school-based strategies to facilitate students' transition from middle school to high school.

Project Transition: Testing an Intervention to Help High School Freshmen Succeed. 1999. Janet Quint, Cynthia Miller, Jennifer Pastor, Rachel Cytron.

Equity 2000

Equity 2000 is a nationwide initiative sponsored by the College Board to improve low-income students' access to college. The MDRC paper examines the implementation of Equity 2000 in Milwaukee Public Schools.

Getting to the Right Algebra: The Equity 2000 Initiative in Milwaukee Public Schools. 1999. Sandra Ham, Erica Walker.

School-to-Work Project

A study of innovative programs that help students make the transition from school to work or careers.

Home-Grown Lessons: Innovative Programs Linking School and Work (Jossey-Bass Publishers). 1995. Edward Pauly, Hilary Kopp, Joshua Haimson.

Home-Grown Progress: The Evolution of Innovative School-to-Work Programs. 1997. Rachel Pedraza, Edward Pauly, Hilary Kopp.

Employment and Community Initiatives

Jobs-Plus Initiative

A multisite effort to greatly increase employment among public housing residents.

Mobilizing Public Housing Communities for Work: Origins and Early Accomplishments of the Jobs-Plus Demonstration. 1999. James Riccio.

Building a Convincing Test of a Public Housing Employment Program Using Non-Experimental Methods: Planning for the Jobs-Plus Demonstration. 1999. Howard Bloom.

Jobs-Plus Site-by-Site: An Early Look at Program Implementation. 2000. Edited by Susan Philipson Bloom with Susan Blank.

Building New Partnerships for Employment: Collaboration Among Agencies and Public Housing Residents in the Jobs-Plus Demonstration. 2001. Linda Kato, James Riccio.

Neighborhood Jobs Initiative

An initiative to increase employment in a number of low-income communities.

The Neighborhood Jobs Initiative: An Early Report on the Vision and Challenges of Bringing an Employment Focus to a Community-Building Initiative. 2001. Frieda Molina, Laura Nelson.

Connections to Work Project

A study of local efforts to increase competition in the choice of providers of employment services for welfare recipients and other low-income populations. The project also provides assistance to cutting-edge local initiatives aimed at helping such people access and secure jobs.

Designing and Administering a Wage-Paying Community Service Employment Program Under TANF: Some Considerations and Choices. 1999. Kay Sherwood.

San Francisco Works: Toward an Employer-Led Approach to Welfare Reform and Workforce Development. 2000. Steven Bliss.

Canada's Earnings Supplement Project

A test of an innovative financial incentive intended to expedite the reemployment of displaced workers and encourage full-year work by seasonal or part-year workers, thereby also reducing receipt of Unemployment Insurance.

Testing a Re-employment Incentive for Displaced Workers: The Earnings Supplement Project. 1999. Howard Bloom, Saul Schwartz, Susanna Lui-Gurr, Suk-Won Lee.

MDRC Working Papers on Research Methodology

A new series of papers that explore alternative methods of examining the implementation and impacts of programs and policies.

Building a Convincing Test of a Public Housing Employment Program Using Non-Experimental Methods: Planning for the Jobs-Plus Demonstration. 1999. Howard Bloom.

Estimating Program Impacts on Student Achievement Using "Short" Interrupted Time Series. 1999. Howard Bloom.

Using Cluster Random Assignment to Measure Program Impacts: Statistical Implications for the Evaluation of Education Programs. 1999. Howard Bloom, Johannes Bos, Suk-Won Lee.

Measuring the Impacts of Whole School Reforms: Methodological Lessons from an Evaluation of Accelerated Schools. 2001. Howard Bloom.

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About MDRC

The Manpower Demonstration Research Corporation (MDRC) is a nonprofit, nonpartisan social policy research organization. We are dedicated to learning what works to improve the well-being of low-income people. Through our research and the active communication of our findings, we seek to enhance the effectiveness of social policies and programs. MDRC was founded in 1974 and is located in New York City and Oakland, California.

MDRC's current projects focus on welfare and economic security, education, and employment and community initiatives. Complementing our evaluations of a wide range of welfare reforms are new studies of supports for the working poor and emerging analyses of how programs affect children's development and their families' well-being. In the field of education, we are testing reforms aimed at improving the performance of public schools, especially in urban areas. Finally, our community projects are using innovative approaches to increase employment in low-income neighborhoods.

Our projects are a mix of demonstrations — field tests of promising program models — and evaluations of government and community initiatives, and we employ a wide range of methods to determine a program's effects, including large-scale studies, surveys, case studies, and ethnographies of individuals and families. We share the findings and lessons from our work — including best practices for program operators — with a broad audience within the policy and practitioner community, as well as the general public and the media.

Over the past quarter century, MDRC has worked in almost every state, all of the nation's largest cities, and Canada. We conduct our projects in partnership with state and local governments, the federal government, public school systems, community organizations, and numerous private philanthropies.

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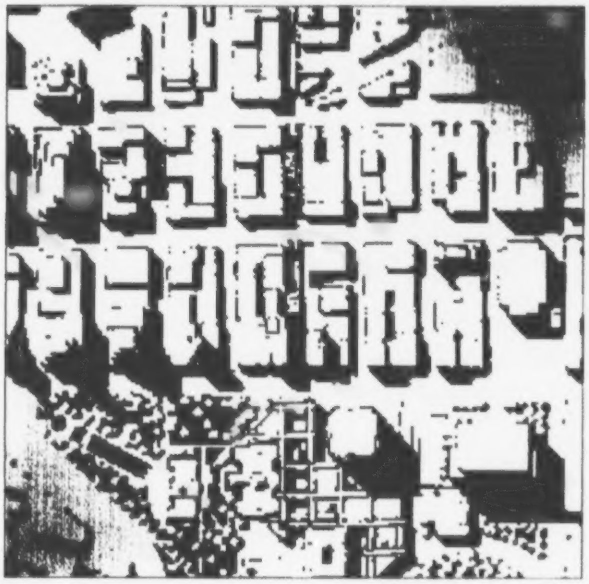

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